



Monthly Report

September 2004

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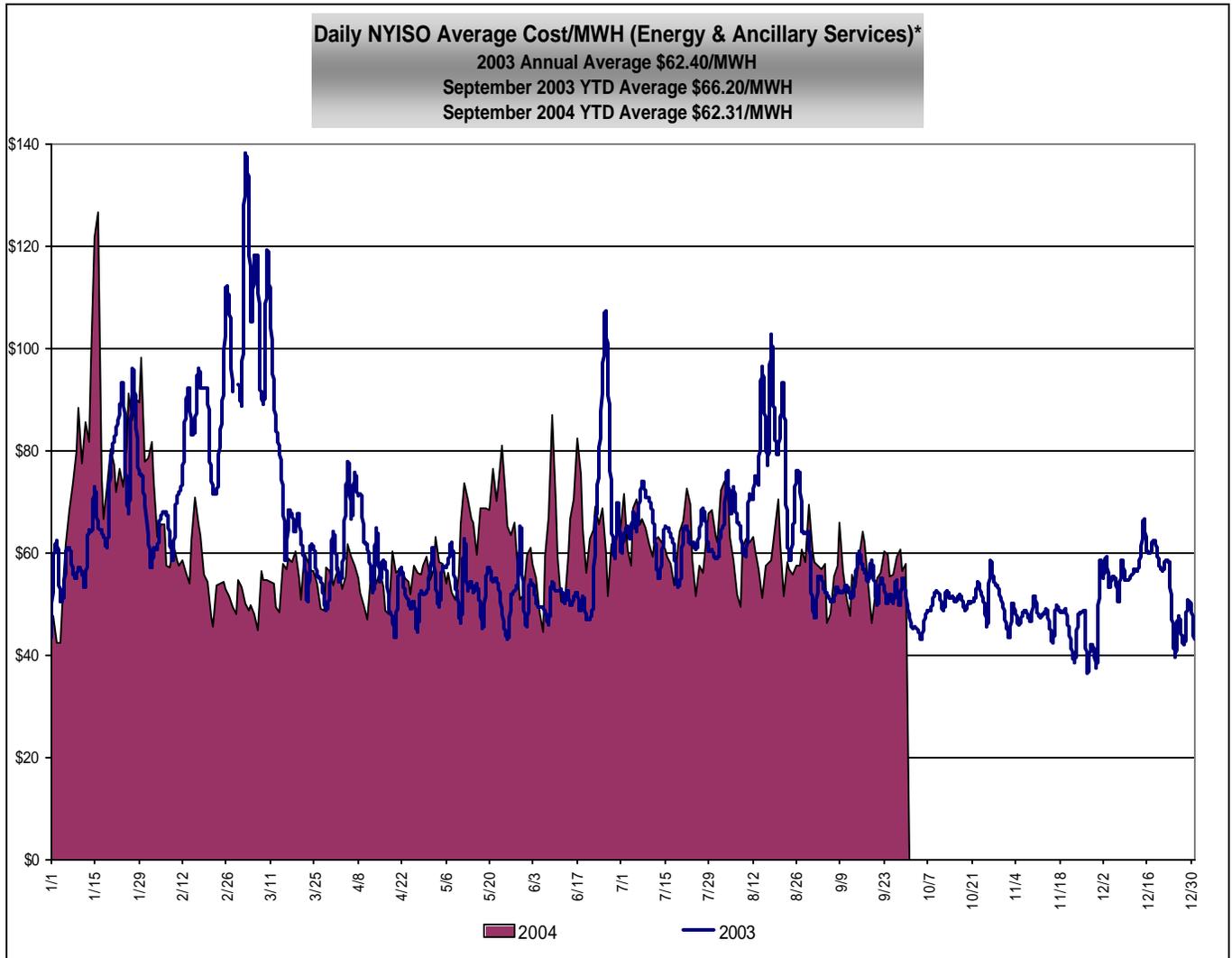
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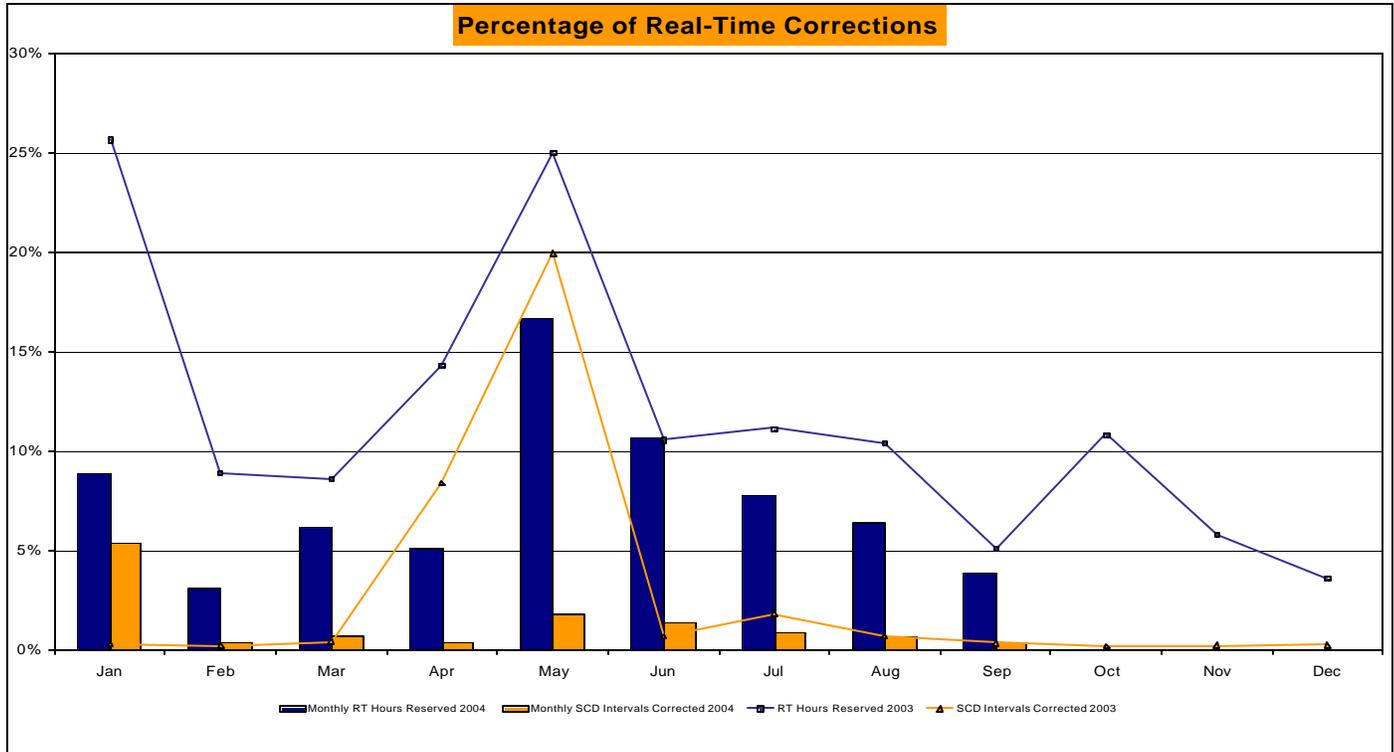
Attachments

1. Executive Summary

Lower loads due to cooler weather resulted in lower LBMPs, leading, in turn, to a decrease in the monthly average cost for energy from \$61.34/MWh in August to \$56.42 in September. Fuel prices for kerosene and No. 2 fuel oil continued their rise towards historic highs, reaching \$10.22/mmBTU and \$8.88/mmBTU respectively, while gas prices continued to decline.



Price reservations and corrections were down for the fifth month in a row.



The scheduled "Go-Live" date for SMD2 is December 1, 2004. An SMD2 Readiness Plan has been developed to support the December 1 deployment date and is being tracked on an ongoing basis. This plan includes an additional Market Trial exercise to be conducted in mid-October, departmental readiness activities, and necessary final reviews. The final deployment decision will be subject to the review of the Market Trial results, internal readiness assessment, and independent market assessments. Market Participants will be involved in the review of these assessments. SMD2 internal quality assurance, integrated, and business owner/user testing activities are on target. Five interactive market trials have been held and a market simulation comparing results from legacy systems and RTS was conducted in late September. LECG continues to review the results of the market simulation.

The primary focus of the proposed 2005 Budget is to resolve Billing Issues, implement projects and activities designed to mitigate risk, and to continue evaluation of the facility consolidation and implementation of security upgrades at NYISO facilities. The proposed 2005 Projects Plan supports critical infrastructure, business process and automation needs.

The NYISO issued proposed Installed Capacity (ICAP) Demand Curves applicable for the next three Capability Years on September 22 and triggered the start of a thirty-day period in which stakeholders can submit supplemental information to the NYISO Board. The Demand Curves proposed for the New York Control Area, New York City and Long Island while fundamentally based on the Levitan & Associates, Inc. study; also reflect careful consideration of adjustments to the study results to reflect the intent of the Demand Curves, as well as stakeholder concerns and input. The proposed curves were reviewed by Dr. David Patton, the NYISO's Independent Market Advisor before release.

On September 30, the NYISO filed tariff changes required to implement the Virtual Regional Dispatch/Intra-hour Transaction Test Pilot Program with New England. During the remainder of 2004, the two ISOs and stakeholders will work together to consider the alternate market based solution and to further develop the final proposal.

2. System Operations

Management Summary

Peak load for the month was 25,274 MW on Thursday, September 9. There were no Major Emergencies during the month. Alert states were declared on 13 occasions, with six attributable to system frequency excursions. On 18 occasions during September, reserve energy was activated, with nine activations due to large control area errors and four due to activation of shared reserves. CPS1 was 168% and CPS2 was 97.1%. There were two reportable events. On September 1, 2004, at 00:05 IP2 tripped for a loss of 970 MW. Shared Activation of Reserve was initiated and the NYCA crossed zero at 00:13 in full compliance. On September 24, 2004, at 11:52 IP2 tripped for a loss of 980 MW. Shared Activation of Reserve was initiated and the NYCA crossed zero at 12:00 in full compliance. The Operator simulator system (ISS) is still being finalized and readied for operator training. The new model that has been developed by Market Ops is in use. Formal ABB training of the BMS functionality has been completed. The training department is using the spreadsheet that was developed to show existing tasks and comparing those to Ranger functions. The operators are doing primarily review at this point.

Staff facilitated the Transmission Owners' (TOs) responses to recommendation 8a (Zone 3 distance protections). All TOs reported the completion of their 8a evaluations to the NYISO by August 31. NYISO reported this completion to the NPCC TFSP on September 29. Staff presented recommendations for changes to the Voltage Support Ancillary Service to the MSWG, S&PWG, and the Business Issues Committee. Due to the concerns raised by the TOs regarding revenue requirements, the recommendations were remanded to a working group for further study and to report back to the BIC by the end of the first quarter of 2005. Staff attended the Working Group meeting of CERTS/WAMS Eastern Interconnection Phasor Project (EIPP) in Columbus, Ohio on September 21-22, 2004. NYISO IT staff established a VPN between the NYISO and TVA (the "super concentrator"); DOE staff will provide the visualization software so the NYISO can receive the Phase 1 data. We are still waiting for NYPA to have the network connection installed at Marcy to allow data transfer from NYPA's PMUs to the NYISO data concentrator. NOAA/SEC reported one Kp=6 and four Kp=5 events during the month; there were no actual observations of Kp=5 or greater during the period. During the month, eight events resulted in excursions of more than 30 MHz or a loss of greater than 1,000 MW.

Market Operations Staff continues testing of the SMD2 hardware platform for implementation of the ISO state estimator function and other operational tools. Staff has determined the requirements for completion prior to having the SMD2 system "Go-Live". These requirements include BMS functional testing, Network modeling updates, and conversion of daily processes and procedures. Staff conducted the sixth session of the SMD2 Day Ahead Market Trials. This market trial was a benchmarking test that sought to compare the SMD2 Market Trial results against the actual observed DAM market results from June 17th, 2004. Staff participated in the Market Structures Working Group review of the DAM benchmarking results. Staff met with LIPA, NU, and ISONE representatives to discuss marketplace and operational issues related to scheduling of the Northport-Norwalk Harbor 138kV interconnection. Staff and Customer Relations staff discussed a number of market design issues with California ISO (CAISO) representatives as a follow up to the CAISO Day-Ahead Market design review by Dr. Hogan and Scott Harvey. The issues included: 1) Clearing of Day-Ahead Market zonal load bids against aggregated prices; 2) Pricing for Constrained Output Generators (e.g. GTs); and 3) Pricing of external transactions in the Real-Time Balancing Market. Staff obtained unanimous Operating Committee and Business Committee Market Participants support to implement revisions to transmission outage scheduling rules to improve the liquidity of the TCC marketplace and ISO oversight of scheduling and cancellation of outages. The outage scheduling rule revisions will be enforced for transmission outages scheduled after January 1, 2005.

Staff is working with PJM, Con Edison, and PSEG staff to develop principles for the joint ISO operating protocol to address the Con Edison-PSEG transmission wheel in response to FERC's recent order. In September, Scheduling staff processed 342 requests for generating unit DMNC testing and unit maintenance outages, confirmed 2,145 external control area transactions in the Day-Ahead Market checkout, and scheduled 892 NYS transmission facility maintenance outages.

The following table shows the number of reserve activations and the number that did not result in crossing zero, and the number of alert states in the current and past two years.

	2002			2003			2004		
	No. of Reserve Activations	No. of Alert States	Non-Zero Crossing	No. of Reserve Activations	No. of Alert States	Non-Zero Crossing	No. of Reserve Activations	No. of Alert States	Non-Zero Crossing
January	5	9	0	30	24	10	36	21	6
February	20	24	3	23	21	5	15	7	3
March	24	31	6	24	10	7	25	24	2
April	25	25	9	16	24	2	17	9	1
May	11	19	2	10	13	2	29	15	4
June	13	14	3	15	12	2	24	8	5
July	66	33	41	12	18	1	14	13	1
August	25	10	12	24	22	4	13	9	1
September	23	20	9	12	6	0	18	13	1
October	28	24	11	25	21	3			
November	25	26	4	17	12	3			
December	32	27	8	40	16	4			
Totals	297	262	108	248	199	43	191	119	24

Attachments

Attachment 2-A, NERC Control Performance Standard

3. Market Services

Management Summary

Customer Relations

During the month of September, three new customers were added, making the total number of NYISO Customers 239.

As part of our effort to support our Customers, the NYISO is tracking responsiveness to inquiries. For 2004, the Customer Relations goal has been set at 95%. For September, the Customer Resolution Survey was sent out with 58 answers to Customers' inquiries, no responses were received. Therefore, a 100% rate was achieved for the month. (See attachment 3-A)

Another of Customer Relations goals is to trend the backlog of open inquiries. Attachment 3-B is a graph of open and closed tracking tickets. Attachment 3-C shows the length of time that tickets have been open, and Attachment 3-C shows the number of days that inquiries have been open as of the end of September.

During the month, Customer Relations continued meeting with Customer organizations as part of efforts to learn more about our Customers' businesses and their objectives for interactions with the NYISO. Four Customer visits took place in September.

Customer Technical Services:

Market Services – Communications to Market Participants:

This month's significant communications to Market Participants included announcements of the sixth SMD2 market trial exercise; a notification for the final SMD2 one-day transition class; deployment of new OASIS Operational Graphs displaying information pertaining to Locational Based Marginal Pricing, Zonal Loads and Interface Flows; an invitation to the Fall Economic Outlook Conference organized by the Load Forecasting Group; a communication regarding the delay of the Decision Support System (DSS) Alternate Data Delivery (ADD) System Cutover date; a dissemination, pursuant to a request made at the September 1st meeting of the Management Committee, of the Generator Weighting Factors that are used to calculate zonal LBMPs (currently included in Technical Bulletin #28) in spreadsheet format; and release of the September 24, 2004, issue of the NYISO Market Participant newsletter the *Insider*.

The following revised Technical Bulletins were distributed to Market Participants: TB#57 describing changes to how TCCs are unbundled, TB#127 detailing procedures for automated access to the DSS ADD, and TB#130 describing the commitment process for Supplemental Resource Evaluations.

Staff participated in Mr. Vijandren Naidoo's, of the South Africa Electric Utility Company – Eskom, three-day information exchange visit to the NYISO.

Committee and Working Group Participation:

CTS staff participated in the Issue Management Committee (IMC), the Issue Resolution Team (IRT), and the Committee Coordination Team (CCT).

CTS participated in the Market Structures Working Group and the Scheduling & Pricing Working Group, and the Generator Issues Task Force.

CTS took minutes at the September BIC and a special teleconference of the BIC regarding Voltage Support Service.

Technical Documentation and the Guide to Market Rules:

CTS began drafting Technical Bulletins on the use of upper operating limits in SMD and the application of the new TCC shortfall reimbursement surcharge.

CTS continued work on the ICAP Market Automation Users" Guide.

CTS continued work on a revised version of the Web-based Reconciliation Users' Guide.

CTS continued to work on revising the Guide To Market Rules and the Technical Bulletins for RTS deployment.

CTS loaded the Technical Bulletins into the Documentum system, tagged the documents with custom searchable attributes, and assisted IT in modifying workflows for Committee Support. CTS participated in User Acceptance testing and received training in the use of Documentum.

Surveys and Business Intelligence:

CTS completed and issued two separate web traffic reports – a weekly analysis posted on our intranet site, and a monthly, in-depth analysis.

CTS staff developed and scheduled the deployment of a survey on NYISO Code of Conduct with the Audit department.

CTS staff discussed detailed results of the Key Stakeholder Survey in detail with several NYISO managers.

CTS staff developed the annual Fall Customer Opinion Survey with NYISO managers and consultant; scheduled deployment for the week of October 11, 2004.

CTS staff assisted in the development of the Internal Environmental Committee survey on the Acid Deposition Reduction Programs.

Research and Development Activities:

CTS attended an EPRI meeting on Alarm Management at PJM, participated in the EPRI Technology Management Workshop, and attended the EPRI Technology Delivery Committee.

CTS participated in discussion of project NEPTUNE and met with Beacon Power on flywheel technology for regulating.

CTS prepared July 7-13, 2003 historical data for the NETSS study.

Product Development

Market Issues

PD staff (Lawrence) delivered a presentation on the New York wholesale electricity markets at the SUNY/NYSERDA Workshop on Electric and Gas Procurement Strategies, September 22.

Environmental Issues

PD staff (Lawrence, Breidenbaugh) attended Regional Greenhouse Gas Initiative Stakeholder meeting in Boston on September 13.

Seams Issues

Worked with PJM, ISO-NE and NY Market Participants to update quarterly FERC seams report (Lawrence).

Demand Response Programs

PD staff (Lawrence, Breidenbaugh, Charlton) met with Neenan Associates to review progress on 2004 demand response evaluation study.

PD staff (Breidenbaugh) made presentations at the Peak Load Management Alliance meeting and Wind Energy and Power Markets Conference.

SMD2

SMD2 deployment and "fallback to legacy" plans are being developed (Lemme). An SMD2 Deployment Guide will be distributed to Market Participants in November. Staff also developed and will maintain an SMD2 readiness status checklist for weekly use by the NYISO Senior Management team to monitor deployment readiness.

Resource Adequacy/ICAP

On September 22, PD staff (Charlton) posted the proposed new ICAP demand curves for capability periods from 2005-2007. Market Participants have until October 15 to submit requests for oral arguments before the ISO Board of Directors.

2005 Project Reviews & Cost/Benefit Activity

PD staff (Goepf) responded to requests from the Project Management Committee for ranking information on 2005 projects. Met with PowerGen to discuss potential application of PROBE to assist with market benefits analysis.

Resource Adequacy

Resource Reliability:

Staff completed the October 2004 monthly ICAP and Spot Market Auctions. Defects continue to be found in the UCAP Automation application during QA and user acceptance testing. The vendor continues to make good progress correcting these defects, however, due to the significant interdependence of the modules, any defects slow and in some cases delay testing. Numerous chapters of the Applications Users' Guide have been developed.

Transmission Congestion Contracts:

Staff completed the October Reconfiguration Auction and rounds 1 and 2 of the Autumn 2004 TCC Auction. Staff worked with Bearing Point to develop process flows of the TCC market procedures. The calculations of net shortfalls due to Transmission Owners for the oversale of TCC's are being validated.

Look Ahead

Customer Technical Services will:

Release new Technical Bulletins regarding the TCC surcharge, external transaction settlement rules, and the use of UOLs in SMD2. CTS will begin posting Technical Bulletins that have been revised for SMD2.

Continue to provide documentation for the UCAP Automation project.

Release a revised version of the WBR Users' Guide.

Prepare for the November Measuring Customer Satisfaction Survey.

Deliver findings on the *Insider* survey.

Participate in EPRI's Market Simulation with Autonomous Agents project.

Present paper at IEEE Power Systems Conference & Exhibition in New York City.

Present VRD at NSF meeting regarding seams issues.

Product Development

OD staff (Breidenbaugh) will participate in the International Energy Agency Demand Side Management (IEA/DSM) program in October.

Resource Adequacy

Resource Reliability:

Complete the regular monthly ICAP auctions for November, including the Spot Market Auction and the Winter 2004/2005 Strip Auction. Continue working with the UCAP Automation project vendor and NYISO Quality Assurance Department to test the UCAP automation application. In early October, provide Market Participants with the UCAP application upload/download templates, so that these templates may be incorporated into their internal processes.

Transmission Congestion Contracts:

Complete the November Reconfiguration auction and the remaining rounds of the Autumn 2004 TCC Auction. Continue verification of the calculations of the net shortfalls due Transmission Owners for the oversale of TCCs. Implement the Bearing Point recommendations from the report regarding the TCC process flow review.

Attachments

- Attachment 3-A, Customer Resolution Survey
- Attachment 3-B, Tickets Open, Tickets Closed as of End of September 2004
- Attachment 3-C, Open Tickets by Month 2004
- Attachment 3-D, Number of Tickets Open by Days September 2004

4. Corporate and Market Risk Management

Management Summary

Risk Assessment:

The Enterprise Risk Management (ERM) department continued to provide reports to the CEO and Board Audit and Compliance Committee. Staff continued the process of monthly risk assessment reports and prepared accompanying recommendations. The ERM met in September to review the progress of the program, assess the risk exposure, and measure the effectiveness of mitigation efforts. The annual risk assessment interview process was completed in September. The October renewal of insurance policies for the coming year is complete.

Industry Affairs

- NERC-NAESB-IRC Joint Interface Committee:

At its September meeting, the NERC-NAESB-IRC Joint Interface Committee ("JIC") accepted NAESB's recommendation to develop business practice standards in the following areas:

- I. Standard Energy Day for Natural Gas and Electric Industries
- II. Operational Communications between Pipelines and Power Plants

A proposal to develop business practice standards for Electric Transaction Scheduling and Timelines was withdrawn by NAESB.

NERC's SAR to develop a standard on right-of-way vegetation management was assigned to NERC for development as a reliability standard.

NERC, NAESB, and IRC representatives provided overviews of their respective annual plans. Formal plans will be developed and exchanged by the end of the year.

- NAESB Issues:

NAESB posted draft requests for industry comment on Energy Market Product Definitions, Transmission Market Definitions and Priorities, and standards on the replacement of contract paths with flow-based transmission service. NYISO staff reviewed these drafts and participated with IRC members, submitting joint ISO/RTO comments to NAESB on September 10.

- NERC Standards Development and Review:

The second draft of NERC's Version 0 standards was posted for industry comments on September 1, 2004. The assignment of existing Reliability Coordinator requirements to the Reliability Authority function remains a central issue, with concerns expressed regarding the delegation of authority. The identification of ATC, CBM, and TRM in the "Version 0" business practice standards for assignment to the NAESB is another prominent issue. The NYISO is actively engaged in the development and review of these standards.

NERC posted the first draft of the Cyber Security Standard, with comments due on November 1, 2004. This proposed standard would replace the current "urgent action" Cyber Security Standard, which is set to expire in August of 2005. The NYISO will coordinate consensus positions and comments with the various industry groups.

- DOE Request for Comments on National Interest Electric Transmission Bottlenecks:

The NYISO participated with the ISO/RTO Council (IRC) in preparing a joint response to the Department of Energy request for comments on the identification and possible mitigation of transmission bottlenecks. In

response to the questions DOE asked the public to address on how bottlenecks should be identified and mitigated, the IRC advocated allowing market mechanisms, rules and tariffs to work to their full extent to encourage market-based resources to respond to bulk power system needs. The IRC also cautioned the DOE to take appropriate measures to protect data related to national security concerns.

Internal Audit:

During September, audit reports were issued for:

- IT – Internal Penetration
- Web-Based Reconciliation – stress testing – focused review

A Project Process Scorecard was issued for:

- SMD2 (Standard Market Design) – Project Process (continuing review)

Draft reports and/or report reviews were in progress for:

- ICAP Commitment and Monitoring
- IT – External Penetration
- KPMG Billing Issues Recommendations
- Price Validation
- Reliability Cost Allocation – account accuracy

Fieldwork and/or planning were in process for reviews of:

- Cash Management
- Code of Conduct
- Enterprise Risk Management
- Follow-Up – Customer Settlements
- Follow-Up – Market Monitoring
- ICAP Market
- Issues Management
- IT – COSO Alignment
- IT – Remote Security
- LBMP
- Legal – COSO Alignment
- Monthly Billing
- Oracle Financials
- Post-Implementation – E-Tagging
- Virtual Bidding

The January through December 2004 SAS 70 Type 2 audit scope period is underway, all subject to review by KPMG, the SAS 70 external auditors. (The scope period was recently extended to December.)

The annual risk assessment, performed jointly with ERM, was completed during September.

Monitoring of Year 2004 Corporate Incentive Goals continued during September.

Market Monitoring:

- Market Review for September 2004:

The NYISO Average Cost and LBMPs are down this month, as loads decreased in response to cooler weather and mixed fuel price levels. Kerosene and No 2. Fuel Oil prices continue to climb, while Natural Gas prices declined this month. Price reservations and corrections continue to decrease.

Prices:

The September 2004 Average Monthly MWh cost was \$56.42/MWh, down from \$61.34/MWh last month. The Year-to-Date (YTD) Average Cost of \$62.31/MWh in September 2004 is lower than the September 2003 YTD price of \$66.20 (Attachment 4, Table 4-B).

Energy prices in the NYCA decreased in all markets from August 2004 to September 2004 and energy prices increased in all markets compared to September 2003. The load weighted average DAM price dropped from \$54.60/MWh in August 2004 to \$50.78/MWh in September 2004, a decrease of 7.0%. The load-weighted RT price decreased from \$55.75/MWh in August 2004 to \$53.06/MWh in September 2004, a decrease of 4.8%. (Table 4.1 below and Attachment 4, Table 4-E).

Table 4.1 Monthly Price Summary

	September 2004		
	DAM LBMP	HAM LBMP	RT LBMP
Price	\$49.03/MWh	\$58.01/MWh	\$51.06/MWh
Standard Deviation	\$11.17/MWh	\$25.82/MWh	\$15.59/MWh
Load-weighted Price	\$50.78/MWh	\$60.75/MWh	\$53.06/MWh
Percent change over August 2004	- 7.0%	- 0.4%	- 4.8%
Percent change over September 2003	+ 1.5%	+16.9%	+ 8.0%

Uplift decreased this month from \$47,414,888 in August 2004 to \$33,579,658 in September 2004. Although many of the categories have changed from last month, the largest changes come from Bid Production Cost Guarantee Balancing, Residuals DAM and Residuals Balancing (Attachment 4, Chart 4-C).

Transactions:

Most energy transactions were either bilaterals (44% this month, up from 43% last month) or LBMP purchases (54% this month, down from 56% last month). The percentage of DAM transactions decreased from 98.0% in August 2004 to 97.6% in September 2004 (Attachment 4, Table 4-D).

Sendout:

The September 2004 sendout was 13,424 GWh. The September 2004 average daily sendout of 447 GWh/day was lower than the August 2004 daily average sendout of 485 GWh/day (Table 4.2 below). The September 2004 Monthly Peak of 25,274 MW is lower than the August 2004 Monthly Peak of 27,711 MW (Table 4.2 below).

Table 4.2 Monthly Summary Comparisons

	September 2004	August 2004	July 2004	June 2004	May 2004
Monthly Peak (Hourly Load): MW	25,274	27,711	27,779	28,433	24,061
Average Daily Sendout: GWh	447	485	481	451	408
Percent change over the previous year	+3.2%	-2.6%	-3.2%	+4.4%	+6.8%
Monthly Sendout: GWh	13,424	15,045	14,910	13,535	12,649

Fuel Costs:

Fuel prices were mixed for the month, with Natural Gas and No. 6 Fuel Oil decreasing and Kerosene and No. 2 Fuel Oil increasing compared to the prices last month. Kerosene and No. 2 Fuel Oil prices increased 9.9% and 7.0% respectively relative to August 2004 while Natural Gas prices and No. 6 Fuel Oil saw a decrease of 6.7% and 1.5% respectively.

All fuel prices are higher relative to prices in September 2003. Kerosene has the largest price increase relative to September 2003 (an increase of 79.7%), followed by No. 2 Fuel Oil, No. 6 Fuel Oil, and Natural Gas (increases of 69.7%, 11.0%, and 9.5% respectively). Distillate prices (No.2 Fuel Oil and Kerosene) have been increasing due to the increasing cost of crude oil while the decline in Natural Gas and No. 6 Fuel Oil prices has been driven in part by low demand due to a relatively mild summer. All fuel prices are stated in \$/MMBtu (Table 4.3 below).

Table 4.3 Summary of Fuel Costs for September 2004

	No. 6 Fuel Oil	Natural Gas	No. 2 Fuel Oil	Kerosene
Price:\$/MMBtu	\$5.06	\$5.40	\$8.88	\$10.22
Change from August 2004	-1.5%	-6.7%	+7.0%	+9.9%
Change from September 2003	+11.0%	+9.5%	+69.7%	+79.7%

Ancillary Services:

DAM Ancillary prices are up this month. Regulation prices increased this month while Reserve prices also increased slightly this month from their lowest prices since the inception of the NYISO (November 1999).

DAM 10 Min Spinning Reserves increased by 12.0% in the East and 14.5% in the West from August 2004 to September 2004. On a year-to-year comparison, DAM 10 Min Spinning Reserves have decreased 72.7% in the East and 72.9% (compared to September 2003). Other reserve prices increased in the East and the West relative to August 2004 and decreased relative to September 2003.

DAM Regulation prices are up 59.4% this month compared to August 2004. Compared to September 2003, the DAM Regulation prices are up 5.3%. (Attachment 4, Chart 4-W and Table 4-X).

- Price Reservations and Corrections:

The percentage of hours reserved decreased this month, as did the percentage of intervals corrected. The percentage of hours reserved this month was 3.89%, down from 6.45% in August 2004. The percentage of intervals corrected decreased from 0.73% in August 2004 to 0.38% this month. There were twelve days without price corrections during September (Attachment 4, Table 4-Q and Chart 4-R).

- Investigation and Physical Audit:

During the month of September 2004, no investigations were requested, three new audits were conducted, and two past audits were completed. The table below presents the audits conducted by the investigation unit since inception. The table below presents the audits conducted by the investigation unit since inception.

Table 4.4 MMP Historical Audit Summaries

	2001	2002	2003	2004	Total
Topics					
Derates & Outages	1	16	7	9	33
Reporting Verifications		1	4	8	13
Parameter Verifications		1	4	10	15
Reserve Shutdowns			8		8
Scheduling			1		1
Other	0	0	0	1	1
Total	1	18	24	28	71
Business Type					
Generator	1	14	19	19	53
Transmission Owner		4	1	3	8
Load w/curtailment			4	6	10
Total	1	18	24	28	71

- Mitigations and Penalties:

The statewide DAM Automated Mitigation Procedure (AMP) did not arm this month; however, the In-City DAM AMP was triggered on 22 days in September 2004. Attachment 4, Chart 4-Y shows the levels of committed unit hours mitigated In-City. The percent of DAM unit hours mitigated remained at 10.4% in September. The percent of RT unit hours decreased from 25.4% in August to 21.9% in September 2004.

In-City RT Mitigation applied in all days this month. There were no other mitigations during September 2004.

Look Ahead

Risk Assessment:

Work will begin on researching options for December renewing insurance policies.

Market Monitoring:

Market Monitoring and Performance continues to keep a focus on BME/SCD price differentials, and plans to transition that focus to RTC/RTD with the rollout of SMD 2.0.

MMP will be releasing a survey on emissions regulations, what steps generators anticipate they will need to take in order to comply, and the cost of that compliance. The results of this survey will provide MMP and other departments with important forward information on the overall impact of the changing environmental regulations and better prepare the NYISO to reflect those impacts in reference prices and overall market assessment.

Attachments

- Attachment 4-A: Daily NYISO Average Cost/MWH (Energy & Ancillary Services)
- Attachment 4-B: NYISO Average Cost/MWH (Energy and Ancillary Services)
- Attachment 4-C: NYISO Dollar Flows – Uplift -OATT Schedule 1 components
- Attachment 4-D: NYISO Market Transactions
- Attachment 4-E: NYISO Markets 2003-2004 Energy Statistics
- Attachment 4-F: NYISO Monthly Average Internal LBMPs
- Attachment 4-G: Zonal Statistics for NYISO (\$/MWH)
- Attachment 4-H: West Zone A Monthly Average LBMP Prices 2003-2004
- Attachment 4-I: Capital Zone F Monthly Average LBMP Prices 2003-2004
- Attachment 4-J: Hudson Valley Zone G Monthly Average LBMP Prices 2003-2004
- Attachment 4-K: NYC Zone J Monthly Average LBMP Prices 2003-2004
- Attachment 4-L: Long Island Zone K Monthly Average LBMP Prices 2003-2004
- Attachment 4-M: DAM and RT Zonal Unweighted Monthly Average LBMP Components
- Attachment 4-N: External Comparison ISO-NE
- Attachment 4-O: External Comparison PJM
- Attachment 4-P: External Comparison Ontario IMO
- Attachment 4-Q: NYISO Price Correction Statistics
- Attachment 4-R: Percentage of Real-Time Corrections
- Attachment 4-S: NYISO Virtual Trading Average MWh per day
- Attachment 4-T: Virtual Load and Supply Zonal Statistics
- Attachment 4-U: NYISO Multi-Hour Block Transactions Monthly Total MWh
- Attachment 4-V: NYISO Monthly Average Ancillary Service Prices, DAM 2003-2004
- Attachment 4-W: NYISO Monthly Average Ancillary Service Prices, BME 2003-2004
- Attachment 4-X: NYISO Markets 2003-2004 Ancillary Service Statistics
- Attachment 4-Y: NYISO In-City Mitigation (NYC Zone) 2003-2004 Percentage of committed unit-hours mitigated
- Attachment 4-Z: NYISO Average Daily Load Bid Summary
- Attachment 4-AA: NYISO LBMP Zone Map with Super-zones
- Attachment 4-AB: 2004 Corporate Goals and Objectives

5. Strategic Development

Management Summary

Business Planning

- ◆ Business Plan and Incentive Goals:

The 2004 Business Plan and Incentive Goals are being implemented and monitored, with progress reports going to Senior Management. Development of the 2005 Business Plan is underway, with the internal business planning team meeting regularly. Discussions on 2005 incentive goals were conducted with the Budget, Standards and Performance Subcommittee in September. In addition, the Senior Management Strategic Committee is engaged in providing guidance on the development of the plan and incentive goals.

- ◆ Strategic Plan:

The Five-Year Strategic Plan is being implemented; monitoring and analysis of 2004 activities is continuing. The Senior Management Strategic Committee (SMSC) is planning implementation of 2005 activities.

System & Resource Planning

- ◆ Resource Adequacy:

The 2005 Installed Reserve Margin study base case MARS runs have been completed. This work indicated that a 17.1% installed capacity reserve margin would be needed to achieve a Loss of Load Expectation of 0.1 days/year. The executive committee of the New York State Reliability Committee will review this result at their October 8th meeting.

- ◆ Transmission Planning:

The Initial System Planning Study Report was approved by the Operating Committee. A notice was sent to Market Participants regarding transition to the NYISO Standard Large Facility Interconnection Procedures that went into effect last month. NYISO has received two new Interconnection Requests thus far under the new procedures. Staff is revising the Class 2002 cost allocation report in accordance with the Class 2001 Settlement that was approved last month. A draft of the 2004 New York Area Transmission Review Report was completed and routed for internal review. Staff provided New York representations to NPCC for the 2004 series NPCC and NERC base cases, and participated in various NPCC meetings. The Inter-ISO Planning Working Group met to discuss plans for implementation of the Northeast ISO/RTO Planning Coordination Protocol. Work continues on the NPCC Overall Transmission Study, the NPCC TFSS Blackout Study, follow up on the NERC blackout recommendations, Phase 2 of the NYISO/NYSERDA Wind Generation Integration Study, and on plans for the Deliverability Impact Study.

- ◆ Load Forecasting:

The September Day-Ahead forecast average absolute error for the NYCA peak was 2.46%; the weather-adjusted error was 2.05%. Corresponding year-to-date numbers are 2.35% and 2.07%. Revised models were put into operation by Market Operations on September 9, 2004.

Staff is participating in the evaluation of the RTS forecasting components. Staff is attending SMD Checklist Meetings and Thursday afternoon issues resolutions meetings. Staff is evaluating data quality issues and why DSS load data does not appear to be the same as PTS load data.

Staff is participating on the 2005 Incentive Goals Committee.

Work continues on revising the Load Forecasting Manual. Alternative criteria for evaluation TO/MES weather-normalizations are being considered. A series of weather-normalized sendout and summer and winter peaks are being developed for super zones. Zones A – E will be the West, F – I, the East. J and K will remain separate.

Look Ahead

Business and Strategic Planning

Drafts of the 2005 Incentive Goals will be presented to the Board of Directors in October.

System & Resource Planning

- ◆ **Resource Adequacy:**

Sensitivity testing surrounding the 2005 IRM study base case is beginning. A preliminary 2005 IRM study report is being drafted. The ICS continues to struggle on whether a better methodology exists to determine locational ICAP requirements. A scope of work to have GE examine the issue has been drafted. NYISO continues to support NPCC CP-8 working group in an expansion of the tie benefits study, an accelerated schedule for the 2005 summer assessment, and the interim report on Resource Adequacy for the NYCA.

- ◆ **Transmission Planning:**

Continue to develop plans for conducting the first Comprehensive Reliability Planning Study. Continue to transition pre-existing projects to the new NYISO interconnection procedures. Process new Interconnection Requests. Present the Class 2002 cost allocation report to TPAS and the Operating Committee. Present the 2004 New York Area Transmission Review Report to TPAS and other groups for review and comment. Continue work on the NPCC Overall Transmission Study, the NPCC TFSS Blackout Study, follow up on the NERC blackout recommendations, and Phase 2 of the NYISO-NYSERDA Wind Generation Integration Study. Finalize plans to begin the Deliverability Impact Study.

- ◆ **Load Forecasting:**

Production and test models will continue to be tracked.

Revision of the Load Forecasting Manual will continue with participation by the Load Forecasting Task Force and ICAP Working Group. The ICAP Working Group will review the draft manual at its next meeting.

Participation in the RTS component of SMD will continue.

Development of regional weather normalized send-out and peak will be completed.

Attachments

Attachment 5-A, NYISO Daily Peak Load

Attachment 5-B, Day-Ahead Forecast (Weather-Adjusted) Performance Tracking

Attachment 5-C, Plot of 12-Month Moving Total of NYCA Weather Adjusted Energy Sendout

Attachment 5-D, Plot of Weather-Adjusted 12 Month Moving Total Energy Sendout Annual Percent Change

Attachment 5-E, Plot of 12 Month Moving Total of NYCA Energy Sendout and Effective Degree Days for 10 years

Attachment 5-F, Plot of 12 Month Total Energy Sendout Annual Percent Change for 10 Years

6. Regulatory Affairs and General Counsel

Management Summary

The NYISO made 12 FERC filings and two joint filings with the NY Transmission Owners (NYTOs) in September 2004. Market Participants made 12 NYISO-related filings (or groups of filings). FERC issued three substantive orders, and four letter orders regarding NYISO dockets. Listings of the NYISO-related regulatory filings and FERC orders issued in September are included as Attachments 6-A and 6-B.

NYISO tariff filing to modify the Day-Ahead Demand Reduction Program (DADRP) (ER04-1188-000) – Filed September 1, 2004

The filing modified the Services Tariff to: (1) increase the zonal floor bid price for DADRP resource bids from \$50 per Megawatt hour to \$75 per Megawatt hour, and (2) remove a provision that terminates Demand Reduction Incentive Payments to DADRP resources after October 31, 2004.

NYISO filing to amend the NYISO's Market Monitoring Plan (EL02-23-005) – Filed September 1, 2004

FERC told the NYISO and PJM to determine if additional authority was needed to carry out certain market monitoring requirements imposed in by their order in *Consolidated Edison Company of New York v. Public Service Electric and Gas Company, et al.*, 108 FERC ¶ 61,120 (2004). The NYISO and PJM determined that, in order to carry out the joint investigations discussed in that order, their market monitoring units must be able to share certain confidential information. The NYISO filed proposed revisions to the NYISO's Market Monitoring Plan to permit the NYISO and the New York ISO Market Advisor to release confidential information of Public Service Electric & Gas Company (PSE&G), Consolidated Edison Company of New York (ConEd), and their affiliates, and the confidential information of any Market Participant regarding generation and/or transmission facilities located within the ConEd Transmission District, to the PJM Market Monitor. Confidential information may only be released in order to permit the NYISO and PJM market monitoring units to conduct joint investigations to ensure that gaming, abuse of market power, or similar activities do not take place with regard to power transfers under the contracts that are the subject of FERC order.

NYISO and NYTOs joint request for clarification of FERC's August 6, 2004 regarding large generator interconnection procedures and interconnection agreement (ER04-449-000/001/002) – Filed September 7, 2004

The NYISO and NYTOs jointly requested that FERC clarify that its August 6, 2004 Interconnection Order did not intend to foreclose the possibility that the NYISO, with the support of its stakeholders, could conclude that a deliverability requirement is neither needed nor appropriate for the interconnection products in New York and could recommend to FERC that it adopt such a conclusion.

FERC order accepting revisions to the ISO Agreement (ER04-1024-000 Phase II) – Issued September 13, 2004

FERC accepted revisions to the ISO Agreement to allow demand response providers and distributed generators to become voting members in stakeholder governance. All demand response providers and most distributed generators would be placed in the other suppliers sector. However, some individual distributed generators would be placed within the end use consumer or generation owners sectors, depending on their economic interests. While FERC rejected intervenor arguments that the proposed changes in the governance structure will confer an unfair advantage on load or unreasonably skew future governance votes, it directed the NYISO to include an analysis of and report on the effects of its revised membership voting plan in its informational annual reports required under section 10.1 of the NYISO Market Monitoring Plan.

NYISO tariff filing to modify cost recovery of Rate Schedule 1 charges (ER04-1229-000) – Filed September 15, 2004.

The NYISO filed revisions to the allocation percentages for the NYISO's operating costs in Rate Schedule 1 so that 80 percent is allocated to load and 20 percent is allocated to supply for a minimum term of five years.

The proposal also requires review of the allocation methodology during the fourth quarter of 2008 if significant market changes merit such a review.

FERC order reaffirming prior decisions regarding the translation of ICAP to UCAP (ER01-2536-005) – Issued September 22, 2004

FERC issued an order on remand from the United States Court of Appeals for the District of Columbia Circuit . At issue was how FERC translated a \$105/kW -year price cap for the New York City electric capacity market (in-city price cap), in authorizing the NYISO to shift from a market design based upon installed capacity to one using unforced capacity. FERC reaffirmed their finding that 12 months of outage data, rather than data from a longer period, should be used in translating the in-city price cap.

NYISO motion requesting leave to respond and response to answers and protests regarding the NYISO's implementation of an Energy Limited Resource Emergency Correcting Action (ELR-ECA) (EL01-19, et al.) - Filed September 22, 2004

The motion provides clarification to misleading and inaccurate statements made by opponents of an Emergency Corrective Action (ECA) issued by the NYISO pursuant to its Temporary Extraordinary Procedures (TEP) on May 8 and 9, 2000. The NYISO contends that the ECA was implemented to correct a Market Design Flaw that prohibited an Energy Limited Resource (ELR) from specifying two operating limits, one for normal conditions and another for emergency conditions. The motion and the validity of the NYISO's exercise of its TEP authority to issue the ELR-ECA are currently on remand to FERC from the United States Court of Appeals for the District of Columbia Circuit opinion, *PSEG Energy Resources & Trade LLC v. FERC*, 360 F.3d 200 (D.C. Cir. 2004).

NYISO tariff filing to provide for a virtual regional dispatch (VRD) testing project (ER04-1263-000) – Filed September 30, 2004

The NYISO filed revisions to the OATT that would enable the NYISO to conduct a limited testing program of processes central to the concept of VRD. The provisions would: 1) define Special Test Transactions as the net charges from the energy interchanges between neighboring control areas during a VRD/Intra-hour Transaction Test Pilot Program, and 2) provide for the financial settlement of Special Test Transactions as a component of Residual charges under Rate Schedule 1.

Letter Orders: During August 2004, FERC issued four letter orders. FERC accepted the NYISO's: 1) reports on implementation of the ICAP demand curve and withholding behavior under the demand curve (ER03-647-004); 2) June 1, 2004 semi-annual demand response program report (ER01-3001-010); 3) refund report regarding third party transmission service arrangements (ER97-1523-082); and 4) filing of tariff revisions regarding customer creditworthiness requirements (ER03-552-009 and ER03-984-007).

Look Ahead

The NYISO is preparing FERC filings regarding: a stakeholder governance review; OATT Attachment S revisions for the Keyspan settlement; congestion rent shortfall calculations; voltage support methodology and 2005 rate; and progress report on operating protocols for ConEd/PSEG contract.

Attachments

Attachment 6-A, NYISO Regulatory Filings – September 2004
Attachment 6-B, NYISO Related FERC Orders – September 2004

7. Committee Activities

Management Summary

Management Committee (MC): The MC met on September 1, 2004.

- The committee approved by a show of hands, a proposal allowing the NYISO to move forward with a pilot program to test Virtual Regional Dispatch (VRD) with ISO New England. Furthermore, the motion directed the NYISO to engage in development discussions on a Market Participant based option as a potential alternative to the proposed VRD method. At this meeting, the Management Committee also approved a proposal to allow budget underruns to be used to pay down the principal of the NYISO's debt.

Business Issues Committee (BIC): The BIC met on September 23, 2004.

- At this meeting the BIC received an update on the SMD2 implementation efforts and the SMD2 scheduled "Go Live" target date of December 1, 2004 was announced. Also discussed and approved was a proposal for Revised ISO Transmission and Generation Outage Scheduling Practices, as well as a motion to develop proposed solutions regarding NYS Tax Issues for Direct NYISO Customers. A status report was provided on the proposed Installed Capacity Demand Curves. Jim Scheiderich of Select provided a presentation on establishing a BIC Task Force to discuss NYISO final bill issues.

Operating Committee (OC): The OC met on September 23, 2004.

- Items reviewed and approved were the NYISO Initial Planning Report and the River Hill Power Project revised study scope, and the revised NYISO Outage Scheduling Procedure.

New York State Reliability Council (NYSRC):

- Responsibility for Compliance With Reliability Rules:

At the September 2004 NYSRC Executive Committee (EC) meeting, Mr. Gioia, Counsel to the NYSRC, reminded the Committee that the issue of the responsibility for compliance with reliability rules has been an on-going discussion with the NYISO since his May 12, 2004 memo, re: Responsibility For Compliance With Reliability Rules. This memo expressed Mr. Gioia views regarding the relationship of the NYSRC to the NYISO and Market Participants (MP(s)) regarding the responsibilities for compliance with the Rules. From a contractual standpoint, Mr. Gioia believes that under the tariffs and agreements approved by FERC, the NYISO is responsible for overseeing compliance with all Reliability Rules. The NYISO remains concerned about the potential liability that may arise from receiving a "finding of non-compliance" for violations by the MPs that are caused by the failure of MPs to take required action.

Further, it is Mr. Gioia's belief that the NYISO has, under its Tariff, sufficient authority to implement and monitor compliance and enforce the Rules. If additional authority should be necessary, it should be sought. At the August meeting, the Reliability Compliance Monitoring Subcommittee (RCMS) was asked to prepare a "Prototype Letter of Non-Compliance" for review which could help mitigate the NYISO concerns. The RCMS presented the prototype letter to the Committee for its consideration. After lengthy discussion, the Committee asked RCMS to try once again to craft, by the October 8, 2004 meeting, a "Non-Compliance Letter" that is acceptable to all parties.

Also, Mr. Gioia was asked by the EC whether a process is in place to address a violation that is disputed by a Market Participant. Mr. Gioia felt that the NYISO had such a process. He further agreed to review the NPCC Dispute Resolution process for violations of Reliability Rules as a basis for developing a NYSRC Dispute Resolution Process regarding, at least, the NYISO. Mr. Gioia noted that once agreement is reached, it is likely that Policy 4 and perhaps other NYSRC documents will require changes.

Look Ahead

Management Committee (MC):

- The next meeting of the MC is scheduled for October 14, 2004. The MC is scheduled to vote on the selection of a new MC Vice-Chair for the 2004-2005 term and approval of the Initial Planning Report. There will be presentations on SMD2 Readiness, Billing Issues and the 2005 Proposed Budget in addition to the regular reports.

Business Issues Committee (BIC):

- The BIC is scheduled to meet again October 27, 2004. Expected items for the Committee Agenda include a vote on the selection of a new Vice Chair for the 2004-2005 term. The BIC will also discuss SMD2 readiness.

Operating Committee (OC):

- The OC is scheduled to meet again on October 28, 2004. The OC will hold a ballot to select a Vice-Chair for the 2004-2005 term; there are two candidates. The OC will also consider approval of the Transmission and Dispatch, and the Outage Scheduling manuals. Presentations will include: SMD2 update and the Winter 2004/2005 NYISO Operating Study.

New York State Reliability Council (NYSRC):

- The next two EC meetings are scheduled for October 8, 2004 and November 12, 2004 respectively.

Attachments

Attachment 7-A, MC Motion

8. Information Technology

Management Summary

The SMD2 project team conducted a Market Simulation exercise that involved the creation of an SMD2 Day-Ahead and Real-Time market using data from an historic day, but conducted under SMD2 rules using SMD2 software. The bids, offers, outage schedules, load forecasts, and other market data from June 17, 2004, were translated into SMD2 formats by the NYISO team in preparation for the event. Market Participants were not permitted to alter the data, but were invited to review the results and monitor the progress of the simulation. The results of the Day-Ahead market were compared to those results achieved on the subject day, with all differences being explainable through SMD2 rule changes or data translation decisions.

Each NYISO department has produced a departmental readiness checklist that is supported by a project plan to achieve it. These departmental plans have been incorporated into the overall SMD2 project plan in order to identify any dependencies that may exist between the schedules. The details of these efforts are reviewed daily and updated weekly.

A detailed deployment plan is under development in order to ensure an orderly cut-over to the SMD2 software. The plan includes a period of parallel operation between the SMD2 and legacy systems both before and after the transition to the new market software. The period before the cut-over is required to perform final validation between the two (2) systems; the period following the cut-over is necessary to maximize the opportunity to fail-back in the event of a serious problem.

The SMD2 project plan has been updated to target a December 1 cut-over to the new system. Each internal department is targeting October 15th as the readiness target, in order to accommodate the infrastructure reconfiguration work that is required to prepare the systems and database for conversion.

SMD2 software development activities on the NYISO software have been largely reduced to bug fix/retest and cleanup items. The number of known defects is considered to be manageable, and integration efforts with the late legacy development are on schedule.

Formal QA Testing was completed on the new OASIS Operational Graphs. The new OASIS zone maps and graphs are integrated into an improved organization of the OASIS section of the website. A series of tabs organizes the information for easier access.

Look Ahead

The SMD2 team plans to conduct a seventh (7th) Market Trial exercise in October in order to demonstrate final readiness of the SMD2 software, and to give Market Participants another opportunity to validate the interfaces between their systems and the NYISO. The format of the exercise will be similar to the first three (3) Real-Time trials where the Market Participants will be providing the bid data for the simulation.

Complete testing of SMD2 Software Deployment Plans and finalize the SMD2 Deployment Plans for the various systems.

Complete all the necessary deployment activities and deploy the New OASIS Operational Graphs into the Production System.

Enhancements required for the Decision Support System (DSS) to support the transition to SMD2 will be fully tested and ready for deployment.

9. Human Resources

Management Summary

Seven new employees and no new contractors were hired in September.

Total new employees hired for 2004 is 48; total new contractors hired are ten.

There were no terminations in September.

A total of 27 interviews (for both employee and contractor positions) were conducted in September. From these interviews, eight offers for direct hire were extended and seven were accepted.

Thirty-six Power Plus Awards were awarded to employees in IT, Market Services, Finance, Administration & Compliance, HR & Training, and Operations.

The following training activities took place during the month of September:

A SMD2 transition acclimation session was conducted on September 22.

One DSS introductory course was conducted via Webex.

Two half-day sessions on Documentum were conducted for NYISO employees.

Two "Super-Vision" training modules for new supervisors were delivered during September. The modules addressed verbal feedback (active listening) and performance appraisals.

Organizational Excellence training classes began on September 1 and will continue through November. The classes include Managing Meetings that Matter, Leading a High Performance Cross-functional Team, and Personal Leadership.

Look Ahead

Benefit Open Enrollment information is being prepared for distribution in November.

DEPARTMENT	Current Staff 09/31/2004	Current Openings	Total Budgeted Employees 12/31/2004
Executive	2	1	3
Finance	25	3	28
Administration & Compliance	21	0	21
Human Resources	16	0	16
Information Systems	117	14	131
Market Services	46	1	47
Operations	78	4	82
Strategic Development	13	2	15
Corporate & Market Risk	43	1	44
Government Affairs & Comm.	6	0	6
General Counsel	8	0	8
Regulatory Affairs	5	0	5
Total	380	26	406

10. Government Affairs and Communications

Management Summary

Media Inquires:

The NYISO managed 35 inquiries.

Interviews & Presentations:

September 7 and 14 - New England/DOE Summer Operational Conference Call

Government Affairs:

September 10 - Meeting with NYS Tax Department, sales tax issues

Tours:

September 16 - NYS Office of Homeland Security

September 24 - Brascan

September 27 - FBI

Internal Communications:

Web Site: 212 postings were added to the site, and 27 Webmaster/portal requests were resolved.

September 20 - Announced series of organizational changes

September 20 - "The Current" was published and issued

September 29 - "The Independent" was published and issued

Internal Communications Plan: Approved for distribution by Bill Museler. Rollout will occur in late October.

Talking Points Project: Distributed three of 20 Talking Points to managers and supervisors with the expectation they will distribute to departments.

Text Messaging System: Three GAC staff members are assisting in the development of the Text Messaging System for the lobbies of the PCC and Washington Avenue, and are also assisting Human Resources and Project Management departments.

Look Ahead

October 6 - Tour, Skidmore College

October 7 - Tour, Kruger (hydro)

October 8 - Tour, Taiwan Power Company

October 13 - Tour, New York City EDC

October 13 - Tour, Techno Research Institute (Japan)

October 19 - Tour, Homeland Security Office

October 26 - Tour, FERC

October 28 - Tour, Utility Wind Interest Group

11. Finance

Management Summary

Budget:

2004 spending is tracking within budget. Detailed projections of spending to December 31, 2004 indicate a potential underrun of approximately \$6 million, due primarily to underruns on insurance, debt service, and FERC Fees. This underrun will be utilized to "pay down" existing debt.

On September 20, a meeting of the Budget, Standards & Performance subcommittee ("BSP") was held to review 2004 budget vs. actual results year-to-date, and to present the first draft of the 2005 budget to market participants. The 2005 draft budget includes a Rate Schedule #1 revenue requirement of \$129.0M or \$0.788/MWH. These amounts are within the budget target for 2005 set by market participants during 2003. A conference call of the BSP is scheduled for October 8, with a BSP presentation to the Management Committee planned for October 14. The Management Committee will be asked to recommend a 2005 budget to the NYISO Board of Directors at its November meeting. The Board is expected to approve the 2005 budget during November.

Credit Department:

The Credit Department discussed a situation where a Market Participant was not submitting load forecasts. This resulted in no energy purchases being billed during the initial settlement month. Consequently, the current month energy purchases were not billed until the four-month true up. As a result, the MP created a four month revolving "float," Creating an exposure of approximately \$1.2 million. A resolution of this issue has been reached. The NYISO expects full recovery by April 1, 2005.

The general problem of either zero or poor load forecasts has been addressed. An enterprise wide monitoring will be implemented during October. The Legal Department is reviewing this process to determine if a tariff revision will be required as part of the plan implementation.

Market Settlements Activities:

The consolidated invoice issued in September 2004 represented the August 2004 Energy and ICAP charges, the August 2003, and April 2004 settlement adjustments, and the August 2002 final settlement.

Other Matters:

On September 15, NYISO submitted a filing to FERC to amend the current 85%/15% Rate Schedule 1 recovery mechanism to an 80%/20% allocation, effective January 1, 2005.

During September, the NYISO filed FERC Form 3-Q for the second quarter of 2004. The filing covering the third quarter of 2004 is due on December 9.

Look Ahead

A conference call of the BSP is scheduled for October 8, with a BSP presentation to the Management Committee planned for October 14. The Management Committee will be asked to recommend a 2005 budget to the NYISO Board of Directors at its November meeting. The Board is expected to approve the 2005 budget during November.

A Credit Policy Task Force meeting is scheduled for October 18. A follow-up meeting will be scheduled in early November. The agenda addresses possible avenues to lower the collateral requirements while not increasing the exposure of a credit loss. A full report of these efforts will be provided to FERC at the end of November.

Attachments

- Attachment 11-A, NYISO Budget vs. Actual Analysis
- Attachment 11-B, Gross Revenue – Energy Market
- Attachment 11-C, Market Participant Energy Billings – Receivables
- Attachment 11-D, Market Participant Energy Billings – Payables

12. Administration and Compliance

Management Summary

Facilities and Security:

- Continued support of HVAC/UPS upgrades at the PCC, Wolf Road and Western Turnpike Facilities.
- Oversight of diesel generator replacement at Wolf Road facility.
- Initiate roof replacement over PCC data center, generator building and repairs to West Wing.
- The security enhancements at the PCC building continue as Phase 2 work nears completion with the opening of the lobby in October. A contractor has been selected for the Phase 3 work at the PCC and work has begun.
- Security Staff met with the FBI to discuss roles and responsibilities of our respective organizations. A Memorandum of Understanding is being developed.
- An RFP to maintain our current security guard force was developed and issued; responses are under review by NYISO security and the NYISO security consultant.

Contract Administration:

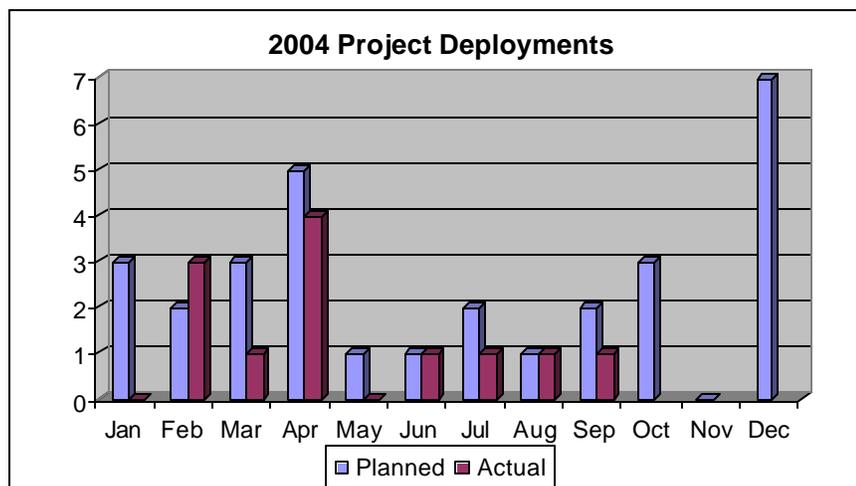
- Continued support for consulting efforts to upgrade the critical infrastructure and redundancy needs at PCC, Wolf Rd., and the Annex. Efforts included placement of the Phase III PCC security and site work to Jensen following the competitive bidding process.
- Update and legal approval for the use of a revised Master Consulting Agreement.
- Review of processes and procedures to identify potential risk avoidance in the contract and purchase order areas to avoid similar ERCOT experience.
- Informational and planning support in the due diligence new facility process.
- Continued pro-active updating of insurance certificates, conflicts of interest statements and Master Consulting Agreements as necessary across all departments.

Project Management:

During the month of September, one project was deployed.

A740 Documentum – IT Implementation – Documentum was deployed to the SMD project team and Customer Technical Services in September. SMD documents and technical bulletins are now captured in the Documentum system.

The following graph summarizes planned versus actual project deployments for the year.

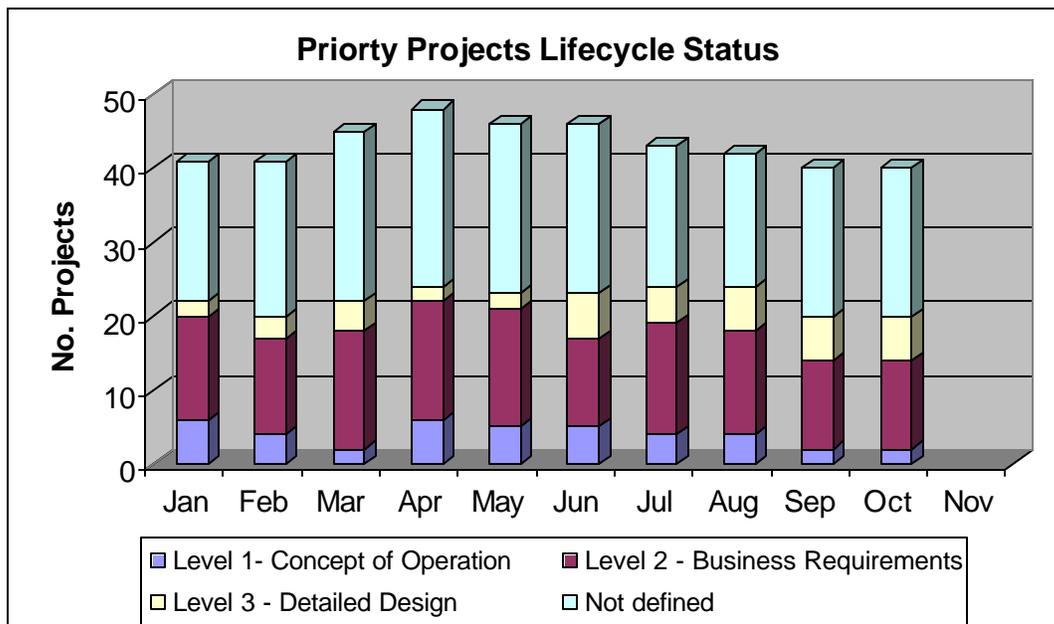


The table below lists the completed project deployments for each month:

Month:	Completed Deployments:
February	A649 Oracle 9i - BAS A686 Allocations Adjustments (EDRP, TSA, QSR) A713 Creating New Meter Authorities
March	A556 Documentum
April	A647 Station Power A660 E-Tagging Integration A620 AMP IV A664 DSS - Reports and Nov 99 Release
May	No Deployments
June	A688 Inadvertent Package Replacement
July	A664 DSS - ADD Features
August	A664 DSS - ADD Enhancements
September	A740 Documentum - IT Implementation

Priority Project Lifecycle Status:

The graph below illustrates the status of Priority Projects within the project lifecycle.



- Level 1 indicates a project in its preliminary or conceptual stage with a completed Issue Discovery or Concept of Operation document. Class 100 estimates for resources, schedule and cost are prepared at this time (assumed to have +/- 100% accuracy).
- Level 2 is achieved when the Business Requirements document (aka FRS) is completed and the project scope is more clearly defined. Class 50 estimates for resources, schedule and cost are prepared at this point in the project lifecycle (assumed to have +/- 50% accuracy).
- Level 3 is reached when a System Design Specification (SDS), defining the detailed software design requirements, is completed. Class 10 estimates for resources, schedule and cost are prepared at this point in the project lifecycle (assumed to have +/- 10% accuracy).
- Not Defined means the project is still in the initial conceptualization phase.

The estimate levels defined above are also shown for each project on the Projects Portfolio Gantt chart. As a project progresses through these levels the resource, schedule and cost estimates become more accurate.

Look Ahead

Project Management:

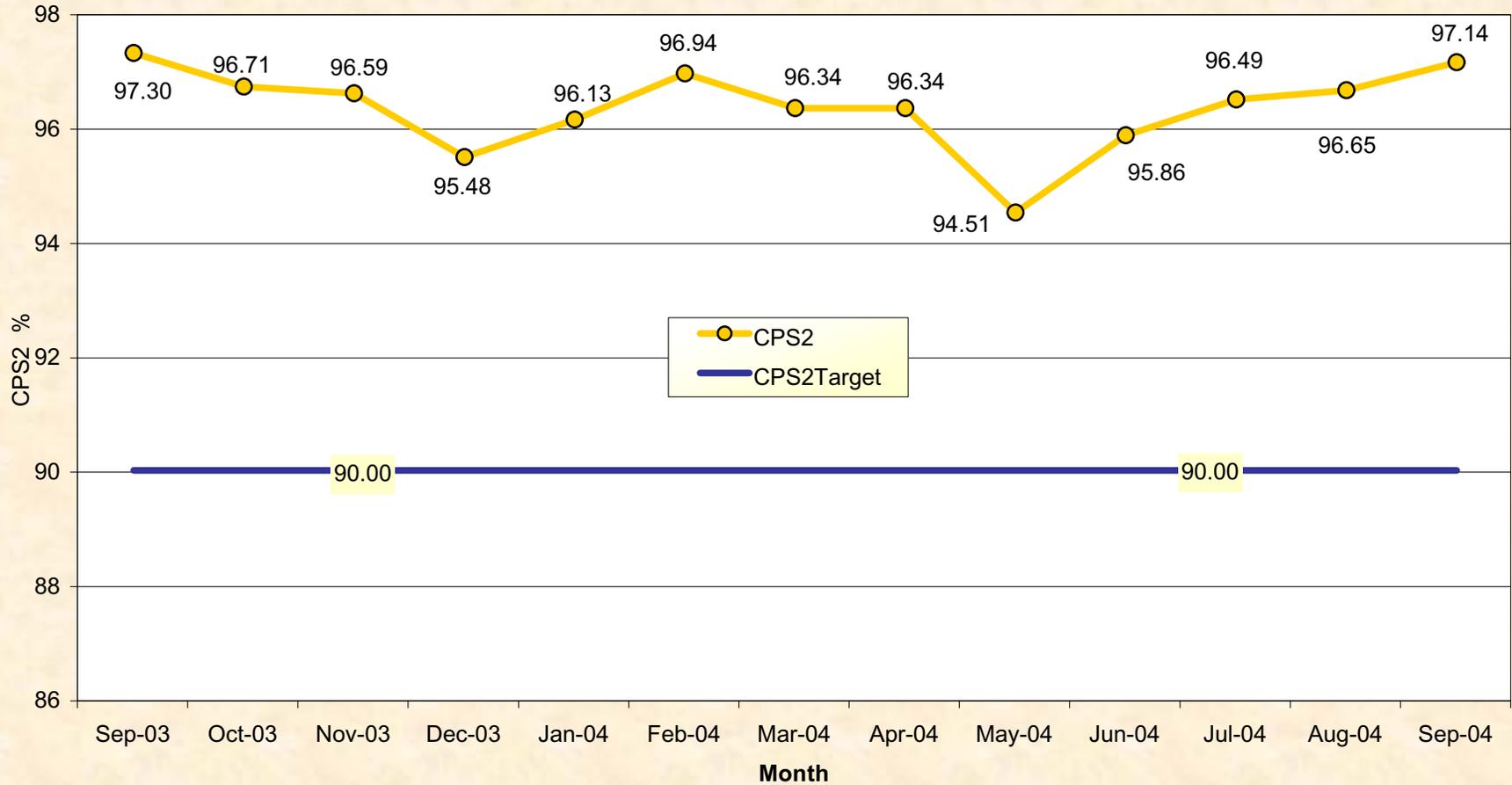
Next month, all efforts will be focused on final preparations to support the SMD deployment.

Attachments

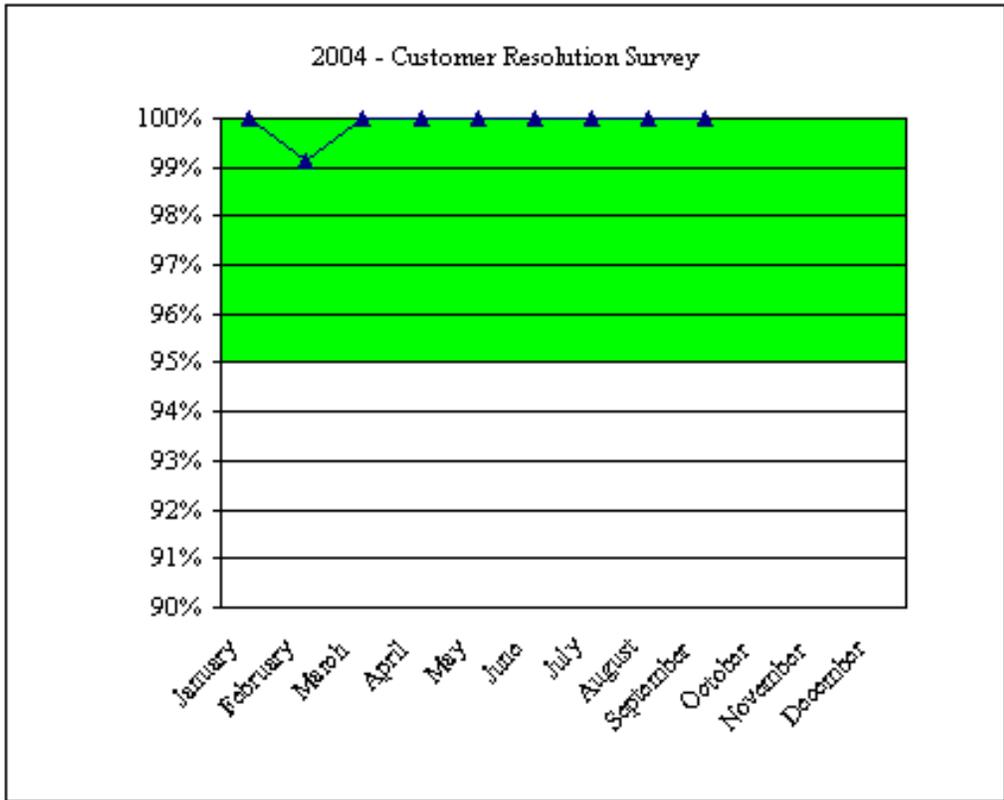
Attachment 12-A, Summary report - Status of Priority Projects
Attachment 12-B, Projects Portfolio

NERC Control Performance Standard

NYISO Compliance
Year 2003/2004

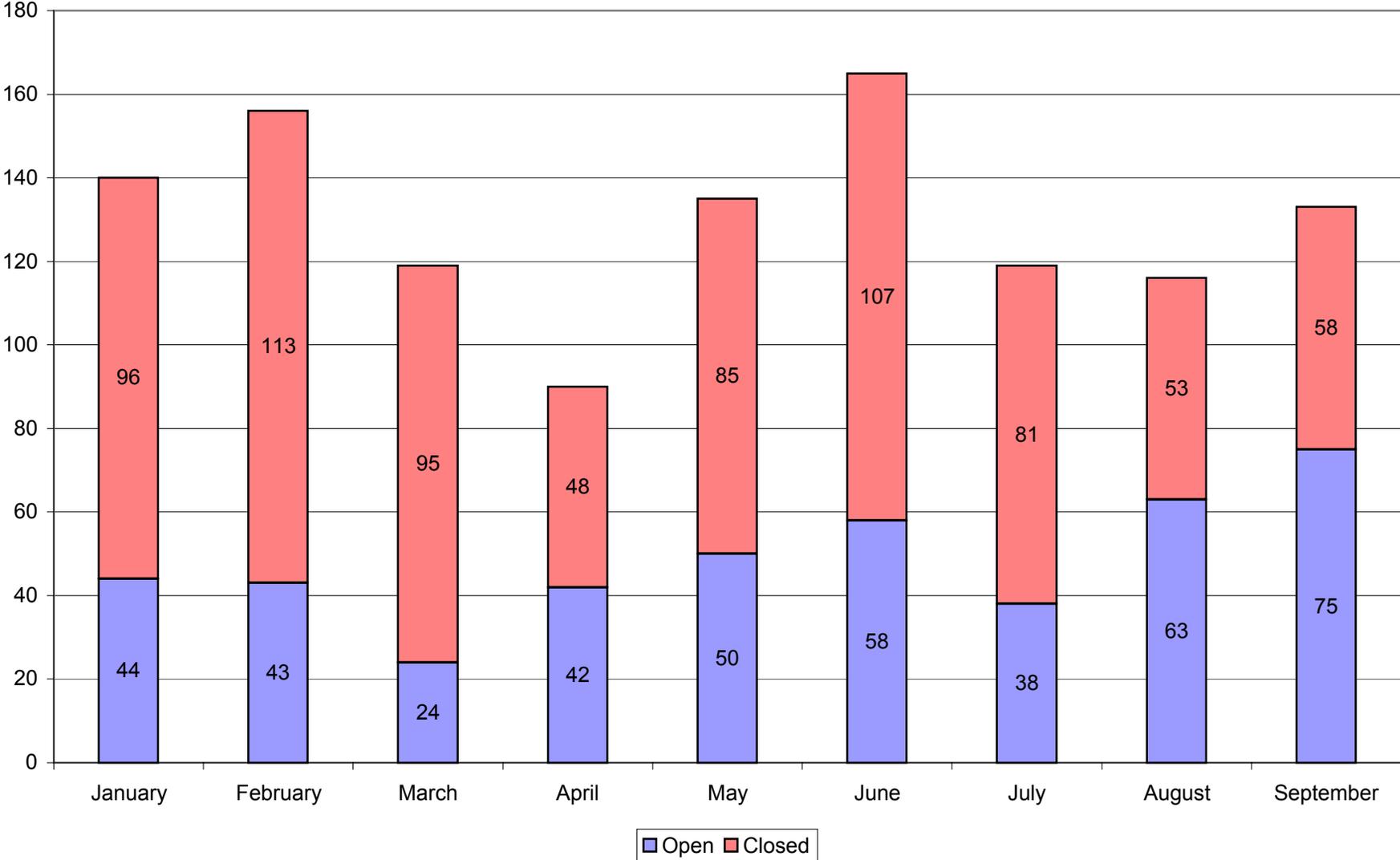


CPS2 for September = 97.14% Compliance Threshold = 90%
CPS2 measures excessive unscheduled power flow resulting from large Area Control Error (ACE)

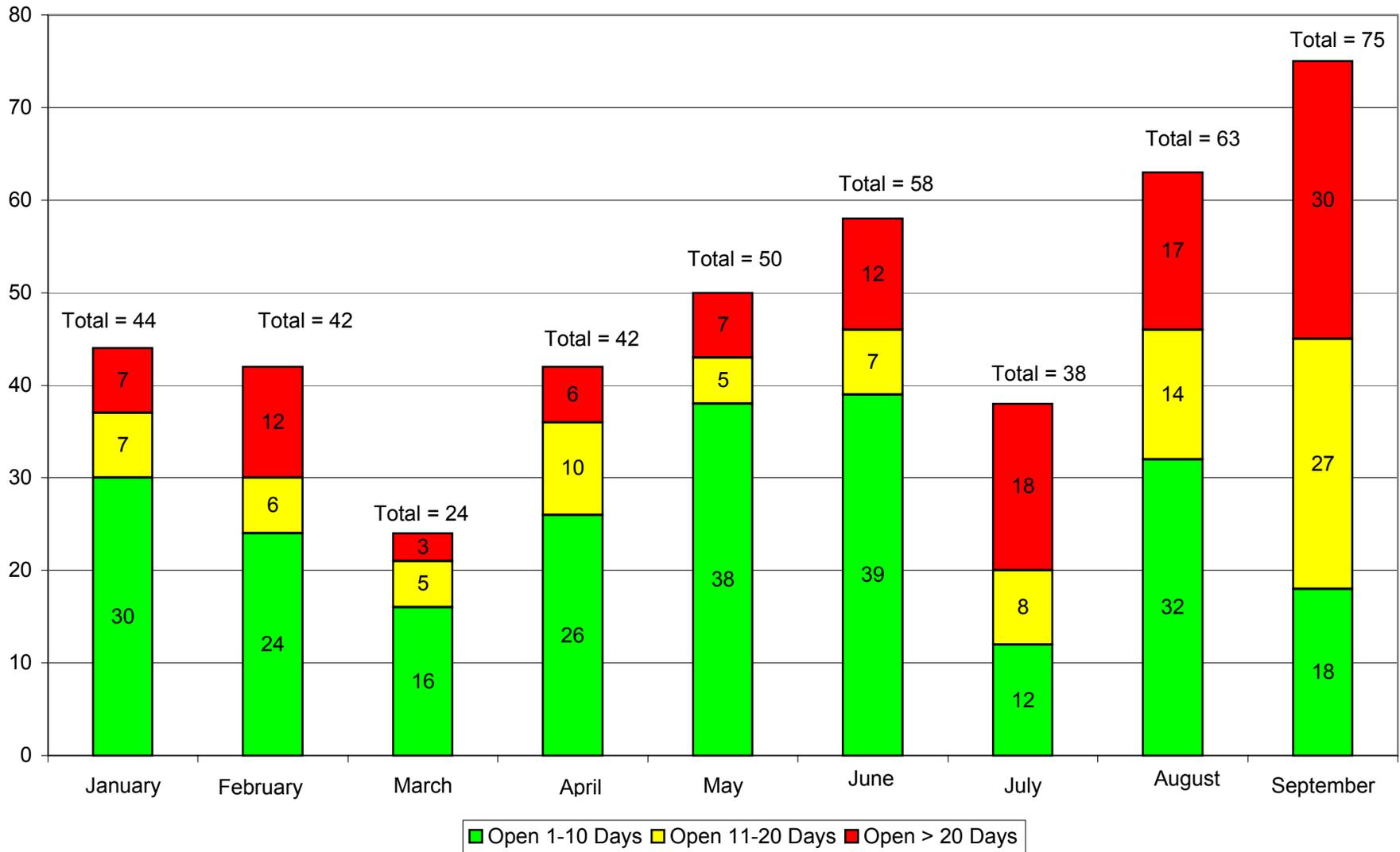


The Customer Resolution Survey Goal for 2004, has been set at 95%. For the month of September, 58 inquiries were sent out. No replies were received that the response was not timely. A 100% (superior) level was achieved for the month. For the period January-September, a total of 736 inquiries were sent out, one (1) customer indicated that the response was not timely. A 99.9% level was achieved.

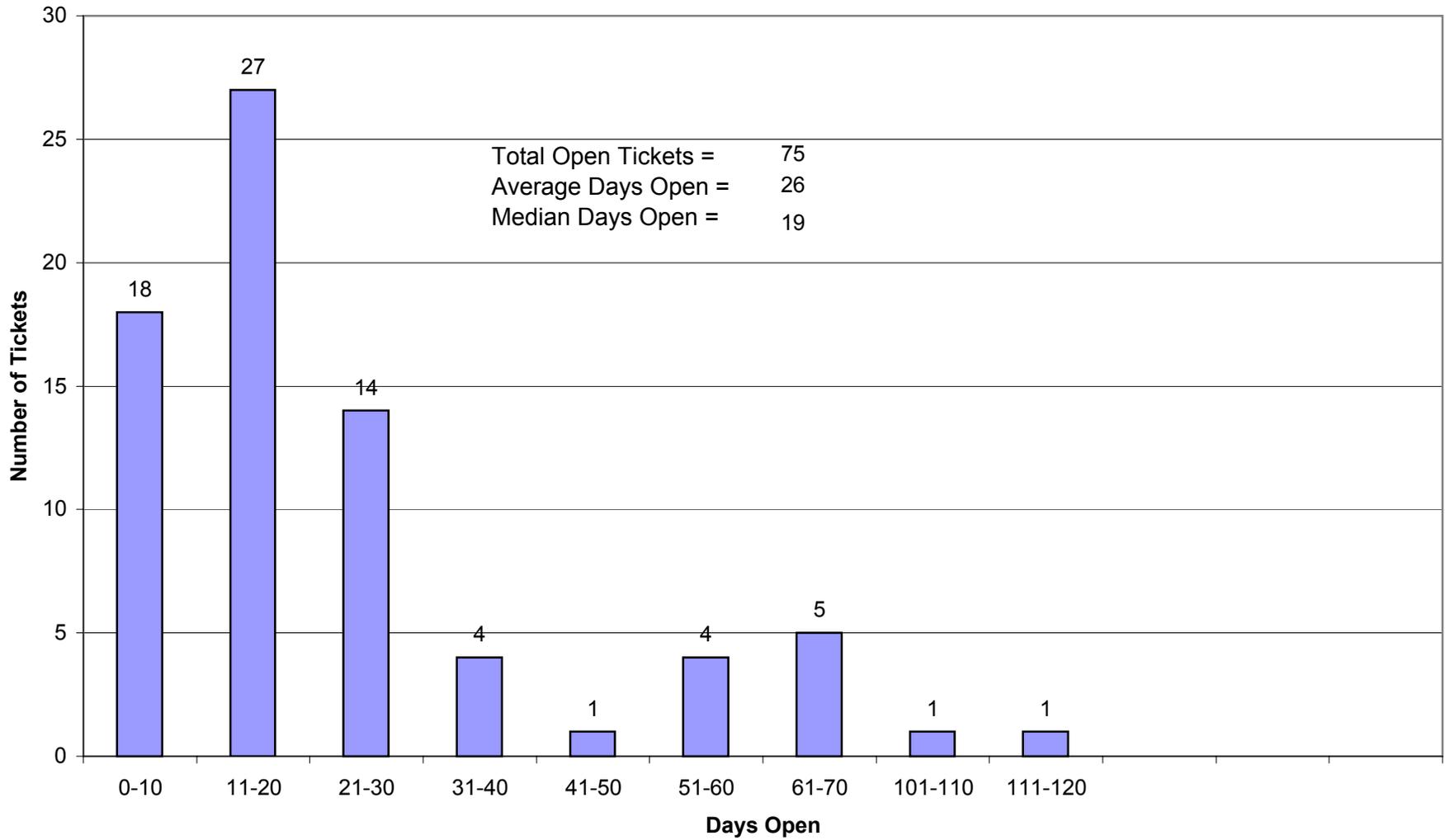
Tickets Open, Tickets Closed as of End of September, 2004



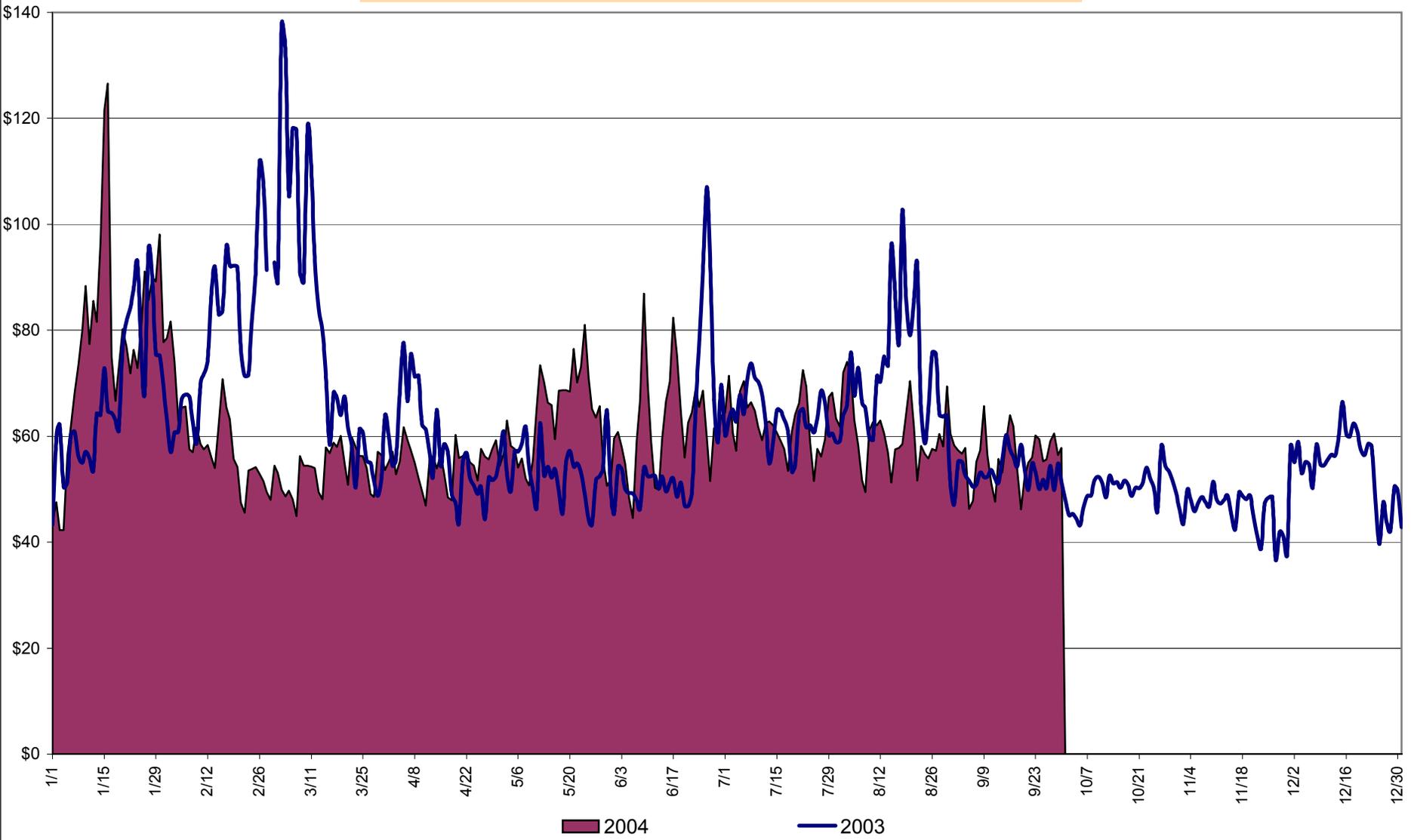
Open Tickets by Month September 2004



**Number of Tickets Open By Days
September 2004**



Daily NYISO Average Cost/MWH (Energy & Ancillary Services)*
2003 Annual Average \$62.40/MWH
September 2003 YTD Average \$66.20/MWH
September 2004 YTD Average \$62.31/MWH



4-A

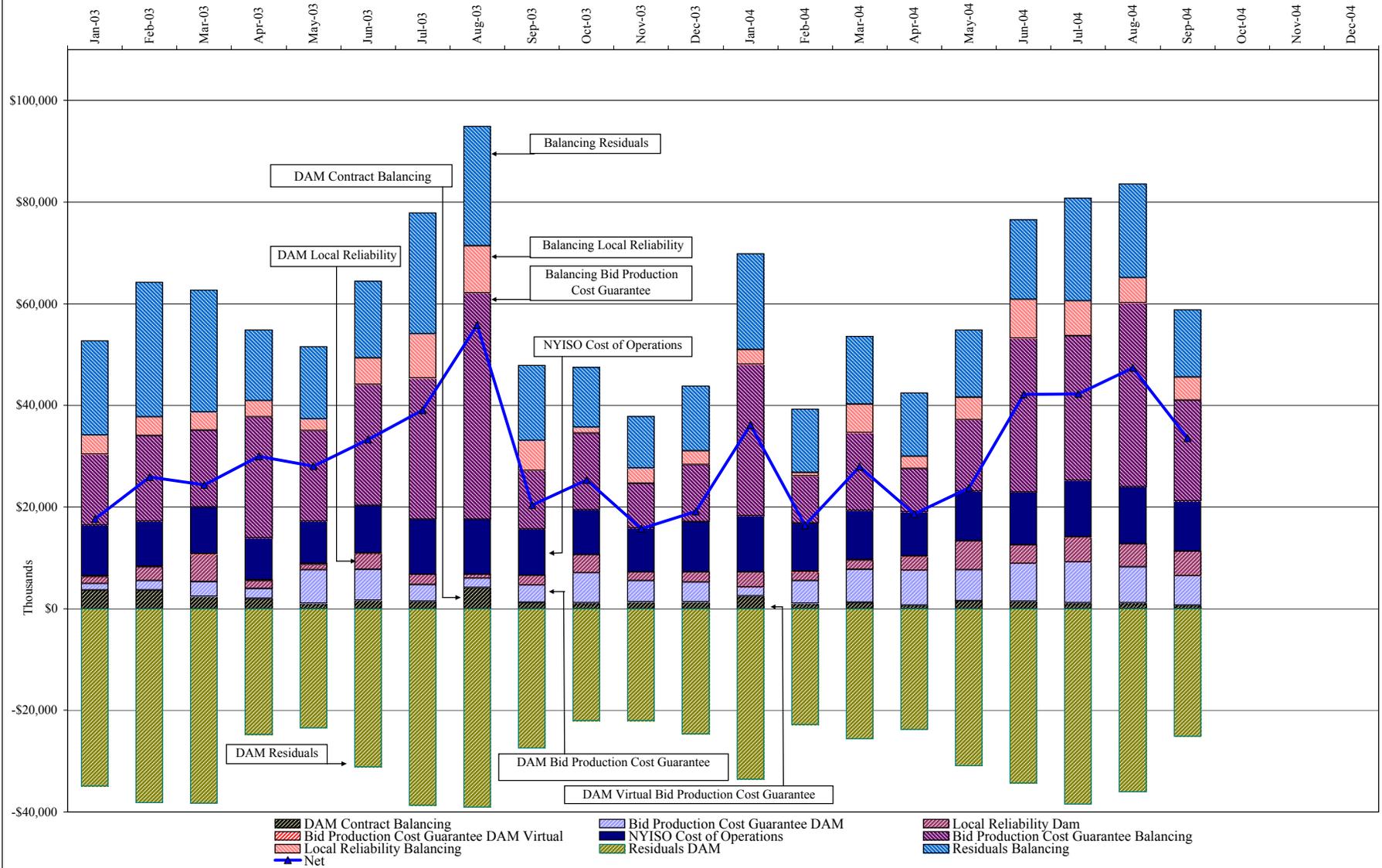
**NYISO Average Cost/MWH (Energy and Ancillary Services)*
from the LBMP Customer point of view**

2004		January	February	March	April	May	June	July	August	September	October	November	December
	LBMP	76.13	57.13	50.56	52.48	61.24	59.78	59.59	57.23	53.01			
	NTAC	0.47	0.42	0.55	0.51	0.42	0.53	0.34	0.43	0.23			
	Reserve	0.27	0.14	0.20	0.17	0.14	0.09	0.06	0.05	0.06			
	Regulation	0.18	0.34	0.28	0.15	0.13	0.11	0.13	0.17	0.32			
	NYISO Cost of Operations	0.73	0.73	0.73	0.72	0.73	0.73	0.74	0.74	0.73			
	Uplift	1.57	0.44	1.27	0.76	0.93	2.15	1.99	2.36	1.71			
	Voltage Support and Black Start	<u>0.36</u>											
	Avg Monthly Cost	79.72	59.56	53.96	55.16	63.94	63.75	63.21	61.34	56.42			
	 Avg YTD Cost	79.72	70.68	65.29	63.02	63.20	63.29	63.28	63.01	62.31			

2003		January	February	March	April	May	June	July	August	September	October	November	December
	LBMP	66.34	76.59	78.31	54.28	49.77	57.46	60.10	68.23	50.82	47.05	43.37	52.19
	NTAC	0.42	0.36	0.67	0.46	0.45	0.40	0.54	0.37	0.25	0.29	0.52	0.37
	Reserve	0.47	0.35	0.45	0.40	0.47	0.25	0.15	0.22	0.13	0.10	0.18	0.16
	Regulation	0.27	0.28	0.39	0.32	0.65	0.34	0.22	0.21	0.35	0.51	0.46	0.25
	NYISO Cost of Operations	0.70	0.69	0.69	0.69	0.69	0.70	0.70	0.70	0.70	0.70	0.69	0.70
	Uplift	0.30	1.09	0.95	1.69	1.51	1.67	1.78	2.57	0.77	1.21	0.45	0.57
	Voltage Support and Black Start	<u>0.34</u>											
	Avg Monthly Cost	68.83	79.71	81.81	58.18	53.89	61.16	63.83	72.65	53.36	50.20	46.01	54.58
	 Avg YTD Cost	68.83	74.02	76.58	72.21	68.83	67.47	66.81	67.73	66.20	64.71	63.15	62.40

* Excludes ICAP payments

NYISO Dollar Flows - Uplift - OATT Schedule 1 components



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

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

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

NYISO Markets Transactions

Transactions by Market 2004

	January	February	March	April	May	June	July	August	September	October	November	December
Day Ahead Market MWH	14,614,304	12,806,346	12,836,889	11,818,317	13,026,160	13,737,390	15,071,422	14,939,105	13,228,022			
DAM LSE Internal LBMP Energy Sales	52%	50%	51%	51%	47%	49%	53%	54%	53%			
DAM External TC LBMP Energy Sales	4%	2%	3%	3%	4%	3%	2%	1%	1%			
DAM Bilateral - Internal Bilaterals	41%	45%	44%	44%	46%	45%	43%	43%	44%			
DAM Bilateral - Import/Non-LBMP Market Bilaterals	1%	1%	1%	0%	0%	0%	0%	0%	0%			
DAM Bilateral - Export/Non-LBMP Market Bilaterals	1%	1%	1%	1%	1%	1%	1%	1%	1%			
DAM Bilateral - Wheel Through Bilaterals	1%	1%	1%	1%	1%	1%	1%	1%	1%			
Balancing Energy Market MWH	367,460	269,220	508,837	238,876	379,159	424,726	139,472	297,506	322,983			
Balancing Energy LSE Internal LBMP Energy Sales	66%	31%	61%	84%	30%	29%	-46%	35%	19%			
Balancing Energy External TC LBMP Energy Sales	57%	78%	41%	38%	77%	74%	170%	73%	50%			
Balancing Energy Bilateral - Internal Bilaterals	-20%	0%	0%	-9%	3%	5%	13%	5%	39%			
Balancing Energy Bilateral - Import/Non-LBMP Market Bilaterals	0%	1%	0%	0%	0%	0%	0%	0%	0%			
Balancing Energy Bilateral - Export/Non-LBMP Market Bilaterals	0%	0%	0%	1%	1%	0%	1%	0%	0%			
Balancing Energy Bilateral - Wheel Through Bilaterals	-4%	-11%	-3%	-14%	-11%	-8%	-39%	-13%	-8%			
Transactions Summary												
LBMP	58%	54%	56%	55%	53%	54%	55%	56%	54%			
Internal Bilaterals	40%	44%	42%	43%	45%	44%	43%	43%	44%			
Import Bilaterals	1%	1%	1%	0%	0%	0%	0%	0%	0%			
Export Bilaterals	1%	1%	1%	1%	1%	1%	1%	1%	1%			
Wheels Through	1%	0%	1%	0%	1%	1%	0%	1%	1%			
Market Share of Total Load												
Day Ahead Market	97.5%	97.9%	96.2%	98.0%	97.2%	97.0%	99.1%	98.0%	97.6%			
Balancing Energy +	2.5%	2.1%	3.8%	2.0%	2.8%	3.0%	0.9%	2.0%	2.4%			
Total MWH	14,981,764	13,075,566	13,345,726	12,057,193	13,405,319	14,162,116	15,210,894	15,236,611	13,551,005			
Average Daily Energy Sendout/Month GWh	464	440	416	393	408	451	481	485	447			

Transactions by Market 2003

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

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

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

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

Virtual Transactions are not reflected in this chart.

NYISO Markets 2004 Energy Statistics

	January	February	March	April	May	June	July	August	September	October	November	December
<u>DAY AHEAD LBMP</u>												
Price *	\$72.12	\$55.31	\$49.08	\$51.01	\$57.25	\$55.03	\$55.33	\$52.59	\$49.03			
Standard Deviation	\$25.99	\$14.40	\$10.90	\$11.42	\$16.72	\$17.82	\$12.68	\$12.49	\$11.17			
Load Wtg.Price **	\$75.01	\$56.90	\$50.44	\$52.50	\$59.89	\$58.29	\$57.32	\$54.60	\$50.78			
<u>BME *** LBMP</u>												
Price *	\$77.51	\$54.41	\$53.01	\$56.94	\$60.98	\$59.15	\$60.43	\$58.27	\$58.01			
Standard Deviation	\$37.54	\$15.73	\$16.25	\$18.41	\$23.58	\$24.50	\$20.60	\$19.57	\$25.82			
Load Wtg.Price **	\$80.51	\$55.89	\$54.71	\$58.89	\$64.14	\$63.17	\$62.81	\$61.02	\$60.75			
<u>REAL TIME LBMP</u>												
Price *	\$73.72	\$52.95	\$49.56	\$50.83	\$56.20	\$54.03	\$55.08	\$52.89	\$51.06			
Standard Deviation	\$32.61	\$15.04	\$17.75	\$14.15	\$25.74	\$23.42	\$17.07	\$19.56	\$15.59			
Load Wtg.Price **	\$76.85	\$54.33	\$51.27	\$52.36	\$59.61	\$58.01	\$57.44	\$55.75	\$53.06			
Average Daily Energy Sendout/Month GWh	464	440	416	393	408	451	481	485	447			

NYISO Markets 2003 Energy Statistics

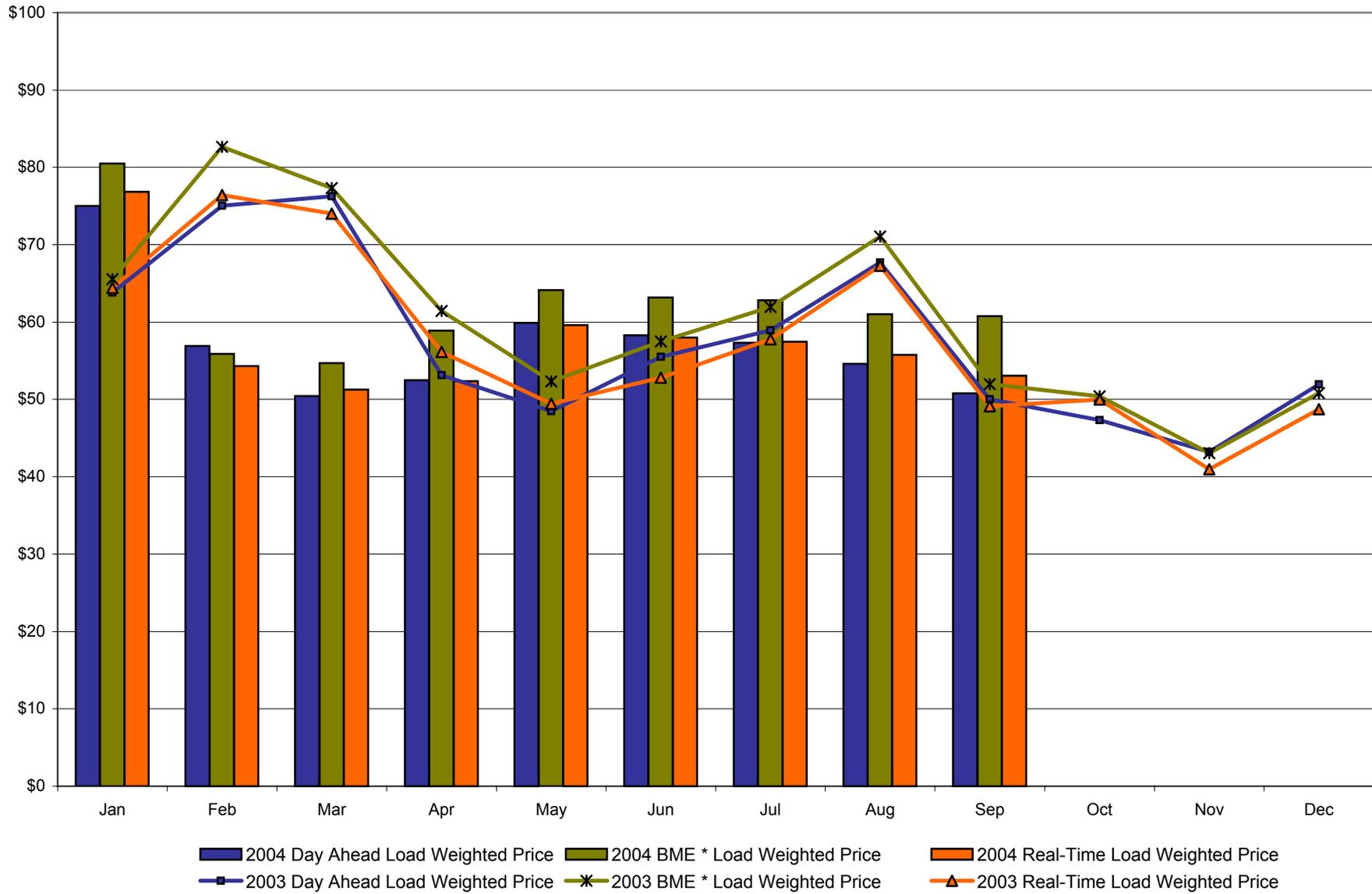
	January	February	March	April	May	June	July	August	September	October	November	December
<u>DAY AHEAD LBMP</u>												
Price *	\$61.33	\$72.81	\$73.18	\$51.58	\$46.43	\$51.45	\$57.10	\$64.94	\$48.29	\$45.81	\$41.58	\$50.07
Standard Deviation	\$20.09	\$21.12	\$29.70	\$12.47	\$14.03	\$21.27	\$11.88	\$18.06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

* Average zonal load weighted prices

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

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

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



* Commonly referred to as Hour Ahead Market (HAM)

4-F

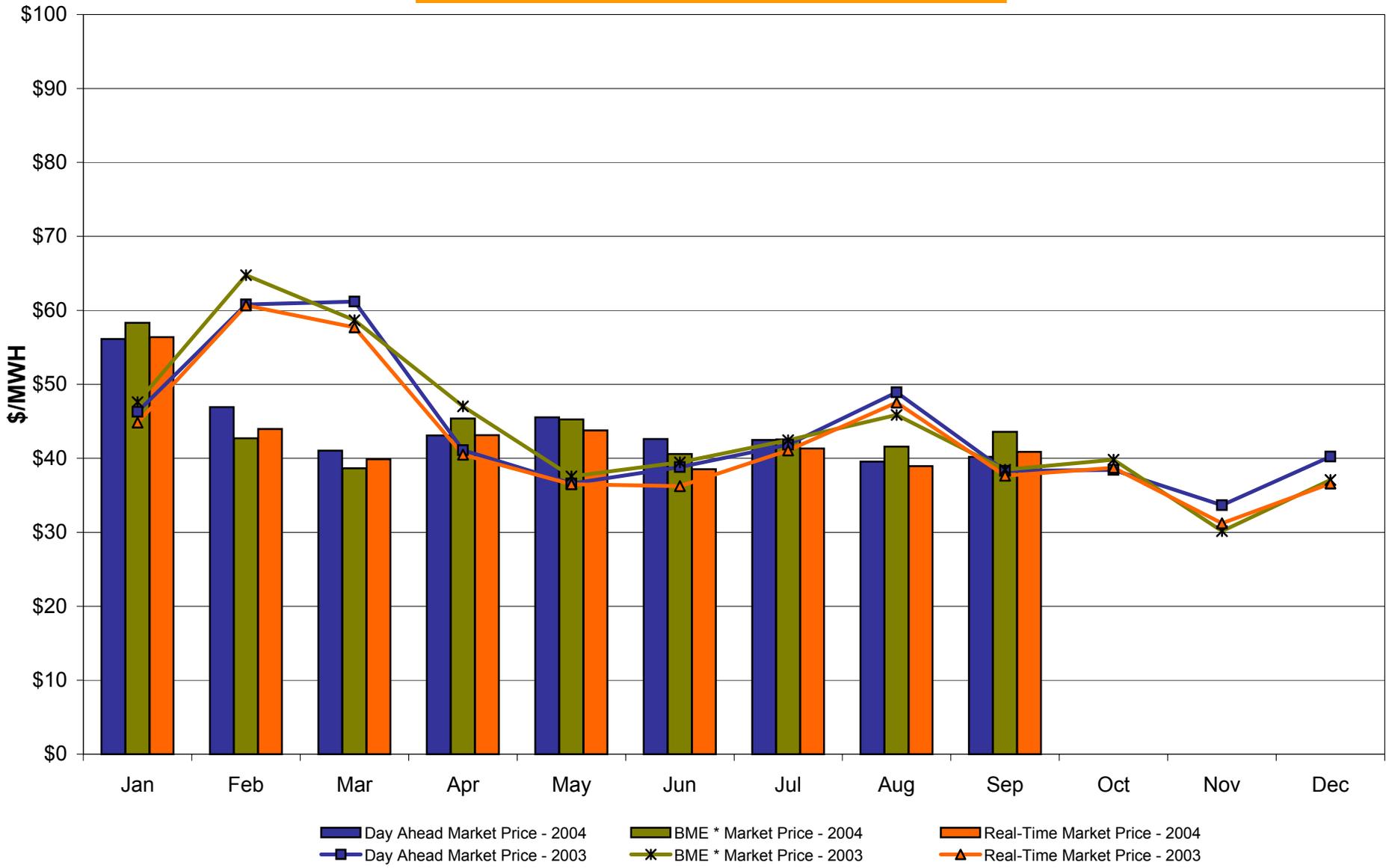
September 2004 Zonal Statistics for NYISO (\$/MWH)

	WEST Zone A	GENESEE Zone B	NORTH Zone D	CENTRAL Zone C	MOHAWK VALLEY Zone E	CAPITAL Zone F	HUDSON VALLEY Zone G	MILLWOOD Zone H	DUNWOODIE Zone I	NEW YORK CITY Zone J	LONG ISLAND Zone K
<u>DAY AHEAD LBMP</u>											
Unweighted Price *	40.20	41.36	41.14	41.93	42.81	45.16	46.23	46.96	47.49	54.28	57.62
Standard Deviation	8.56	8.73	8.40	9.04	9.07	9.68	10.53	11.07	11.23	14.87	11.35
<u>BME ** LBMP</u>											
Unweighted Price *	43.58	44.41	44.93	46.37	46.93	48.38	49.84	50.55	51.11	67.61	74.56
Standard Deviation	12.80	12.88	12.72	13.30	13.22	13.55	14.04	16.77	16.90	26.06	111.27
<u>REAL TIME LBMP</u>											
Unweighted Price *	40.88	41.88	41.85	42.15	43.13	43.13	45.76	48.04	48.66	58.79	60.01
Standard Deviation	12.30	12.39	12.40	12.59	12.81	12.95	13.89	19.71	19.85	21.60	23.02
	ONTARIO IMO Zone O	HYDRO QUEBEC Zone M	PJM Zone P	NEW ENGLAND Zone N							
<u>DAY AHEAD LBMP</u>											
Unweighted Price *	39.53	41.70	41.30	45.85							
Standard Deviation	8.18	8.51	10.03	10.12							
<u>BME ** LBMP</u>											
Unweighted Price *	42.54	44.81	45.86	48.36							
Standard Deviation	12.45	12.79	14.76	13.40							
<u>REAL TIME LBMP</u>											
Unweighted Price *	40.95	42.04	41.22	44.81							
Standard Deviation	12.35	12.83	12.97	13.87							

* Straight zonal LBMP averages

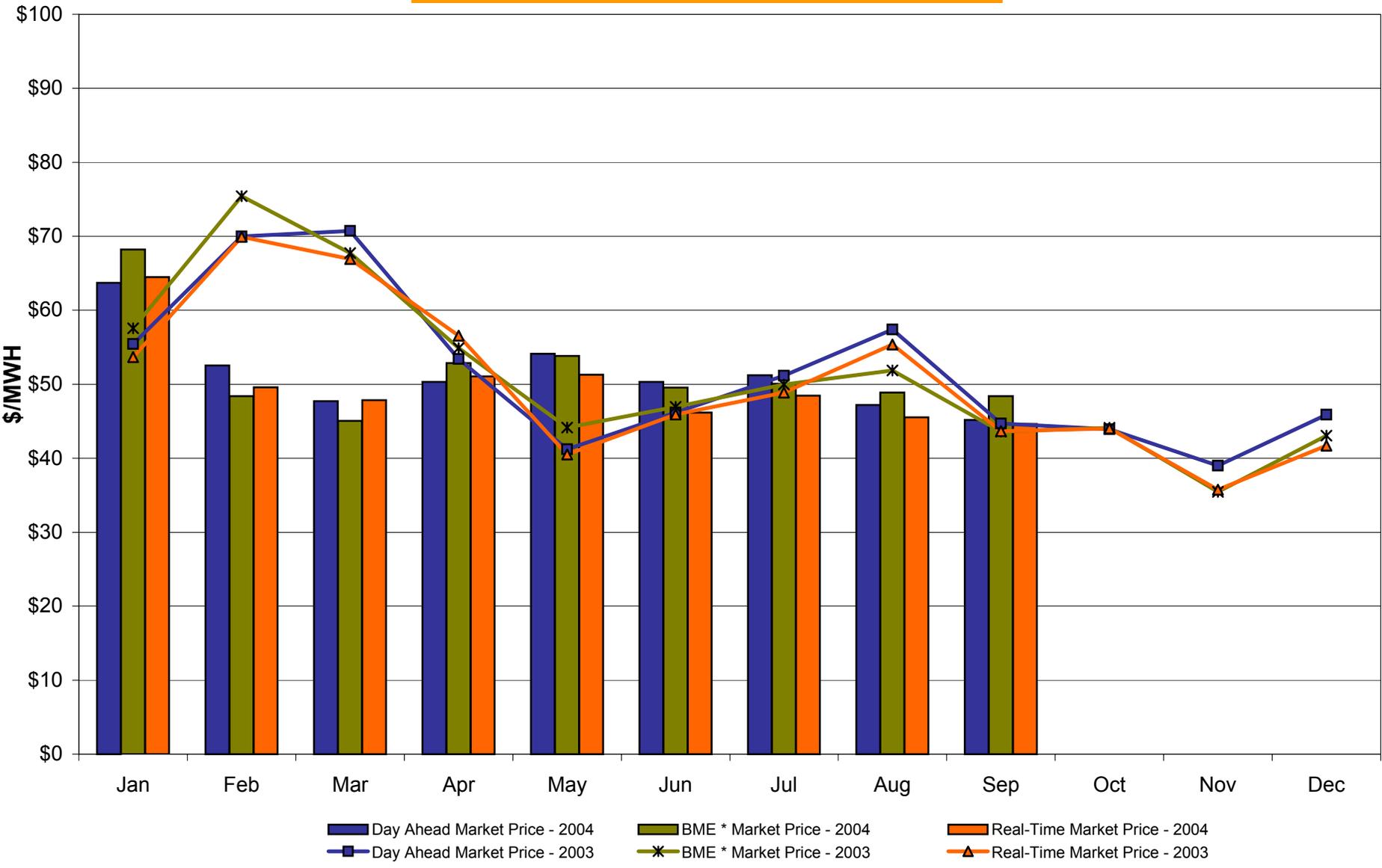
** Commonly referred to as Hour Ahead Market (HAM)

West Zone A Monthly Average LBMP Prices 2003 - 2004



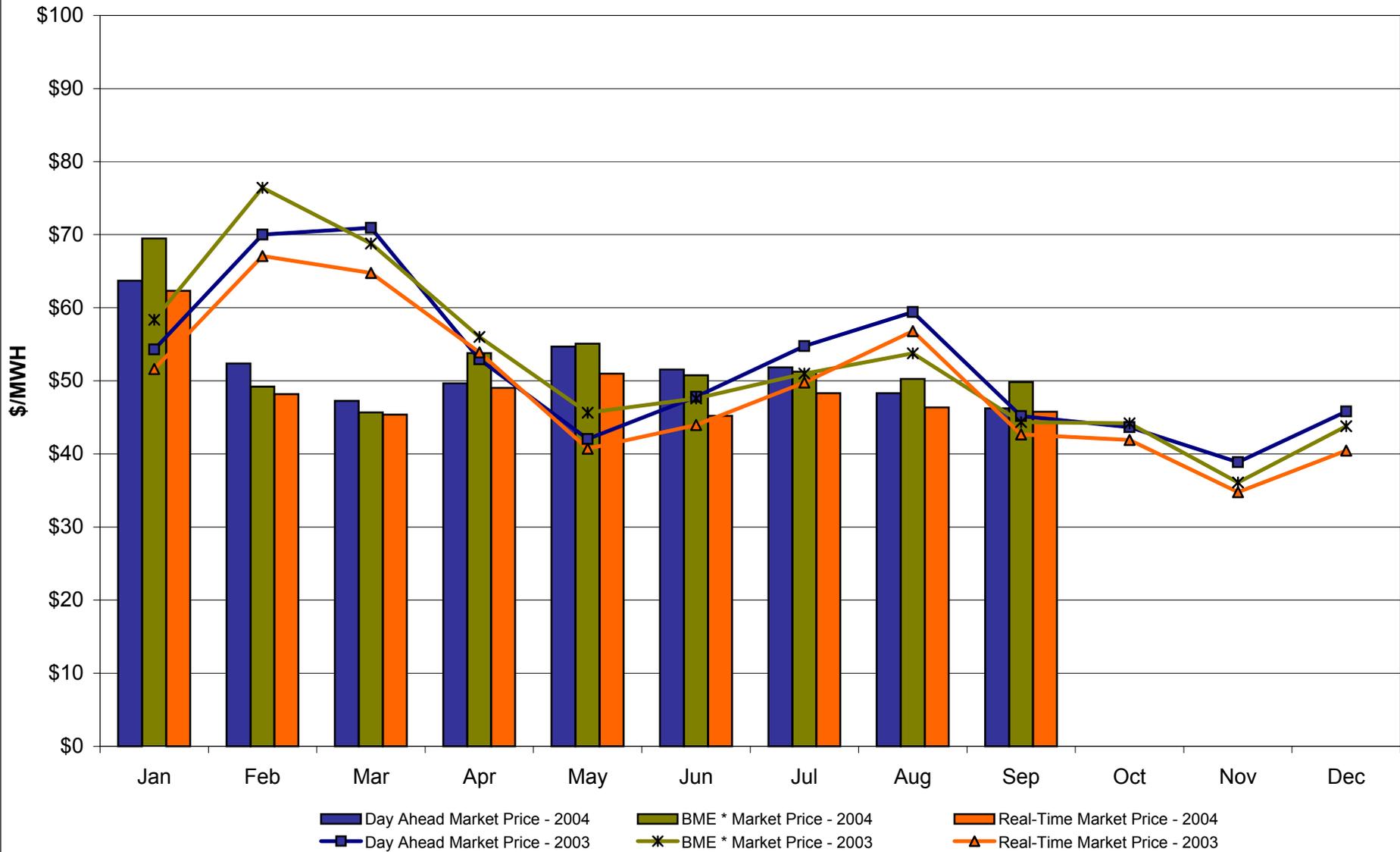
* Commonly referred to as Hour Ahead Market (HAM)

Capital Zone F Monthly Average LBMP Prices 2003 - 2004



* Commonly referred to as Hour Ahead Market (HAM)

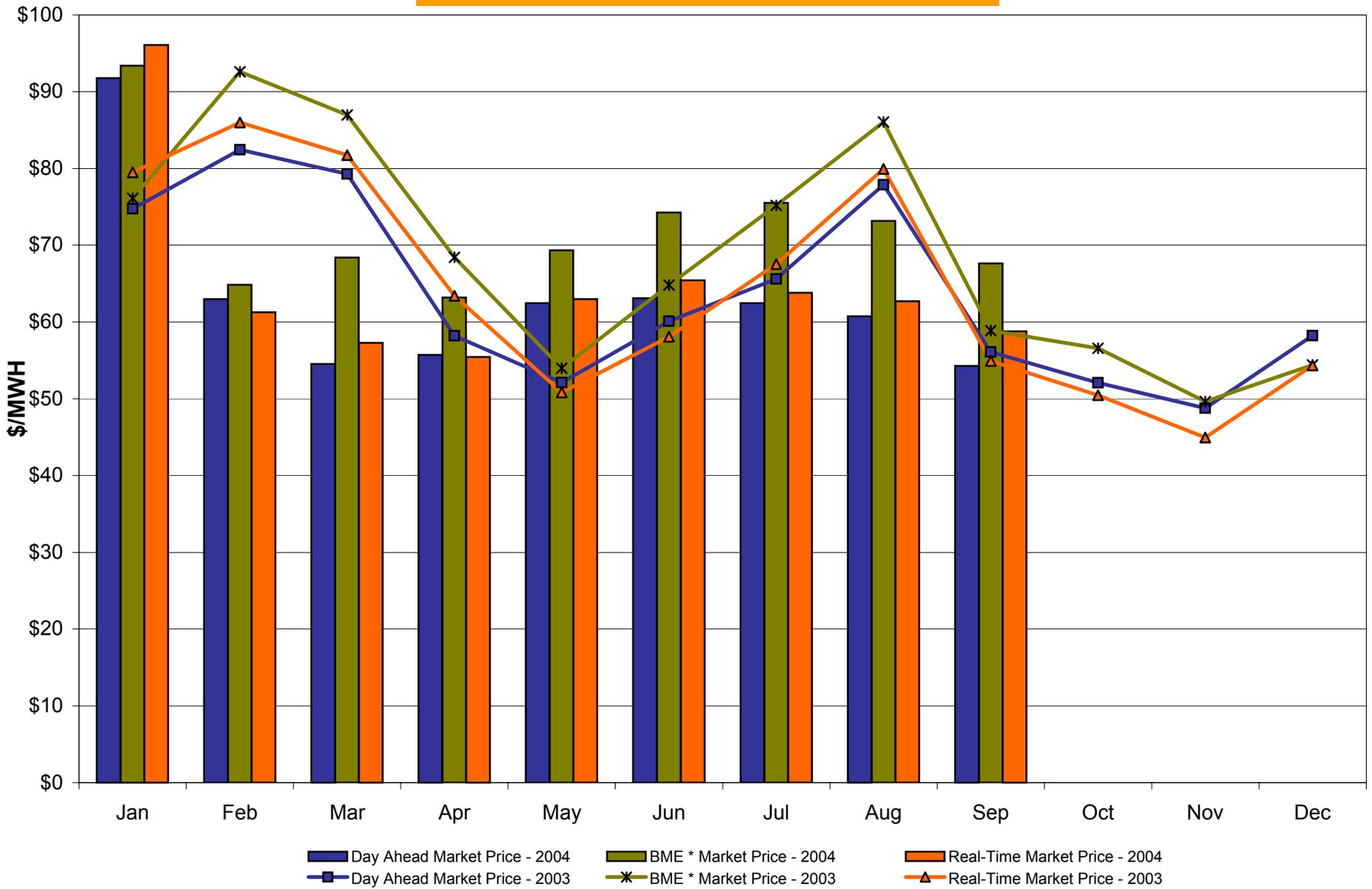
Hudson Valley Zone G Monthly Average LBMP Prices 2003 - 2004



* Commonly referred to as Hour Ahead Market (HAM)

4-J

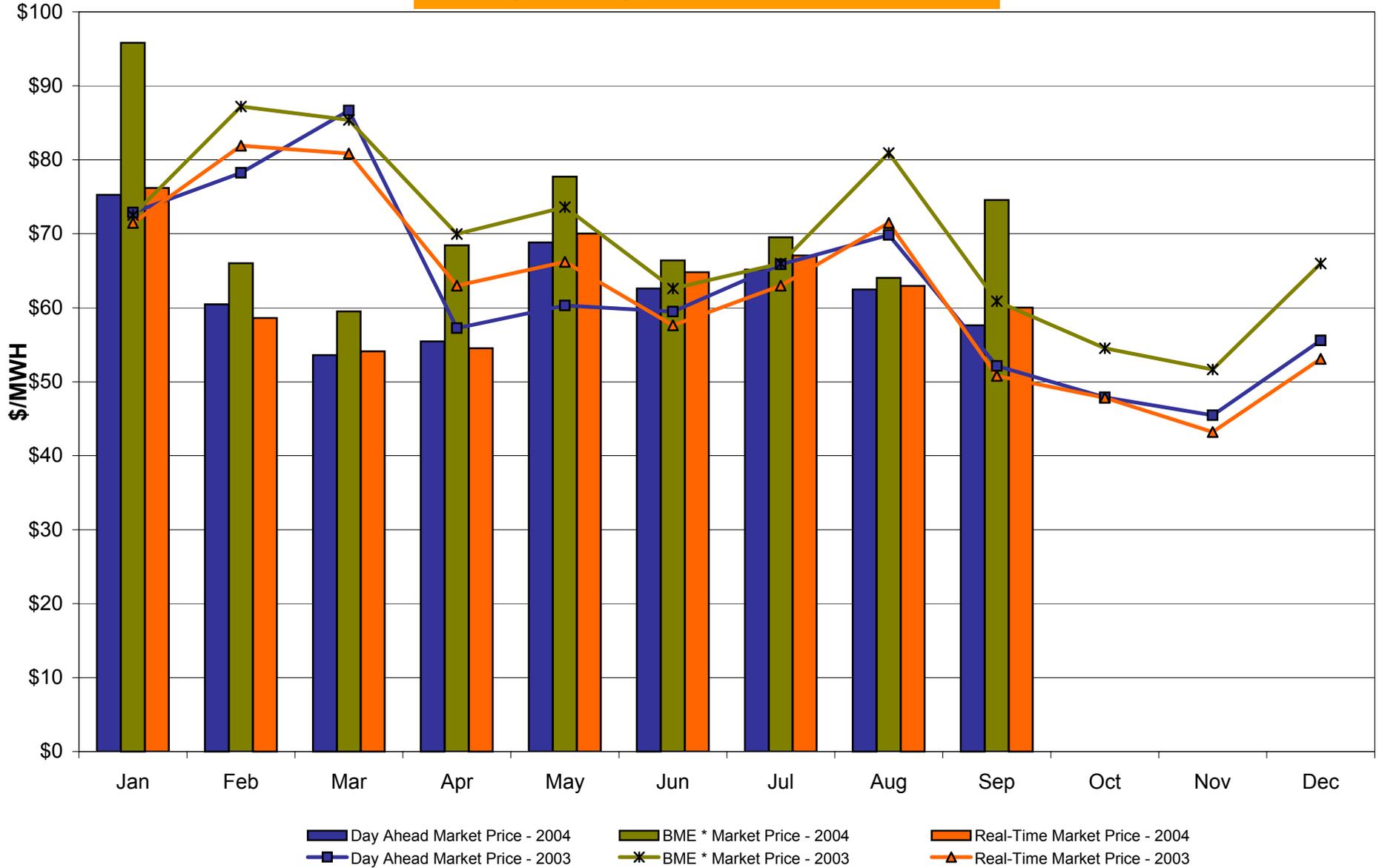
NYC Zone J Monthly Average LBMP Prices 2003 - 2004



* Commonly referred to as Hour Ahead Market (HAM)

4-K

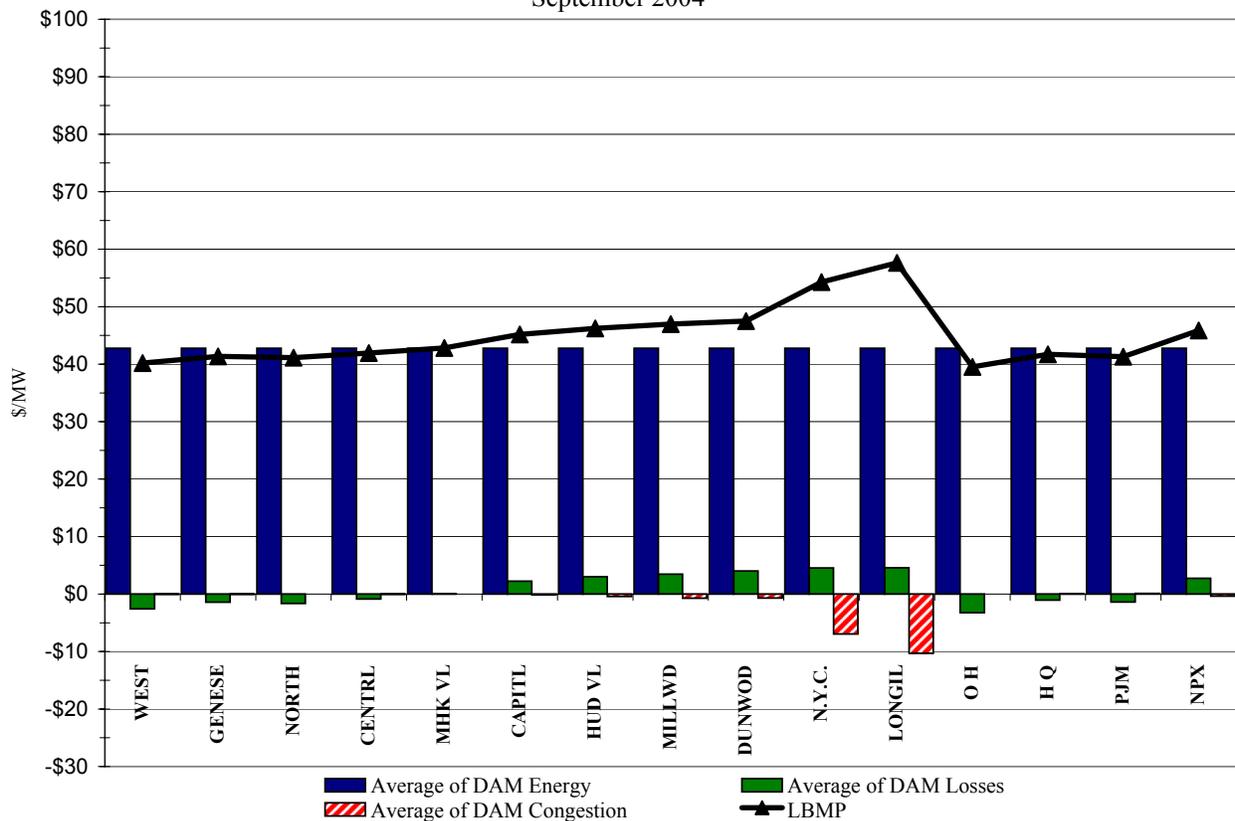
Long Island Zone K Monthly Average LBMP Prices 2003 - 2004



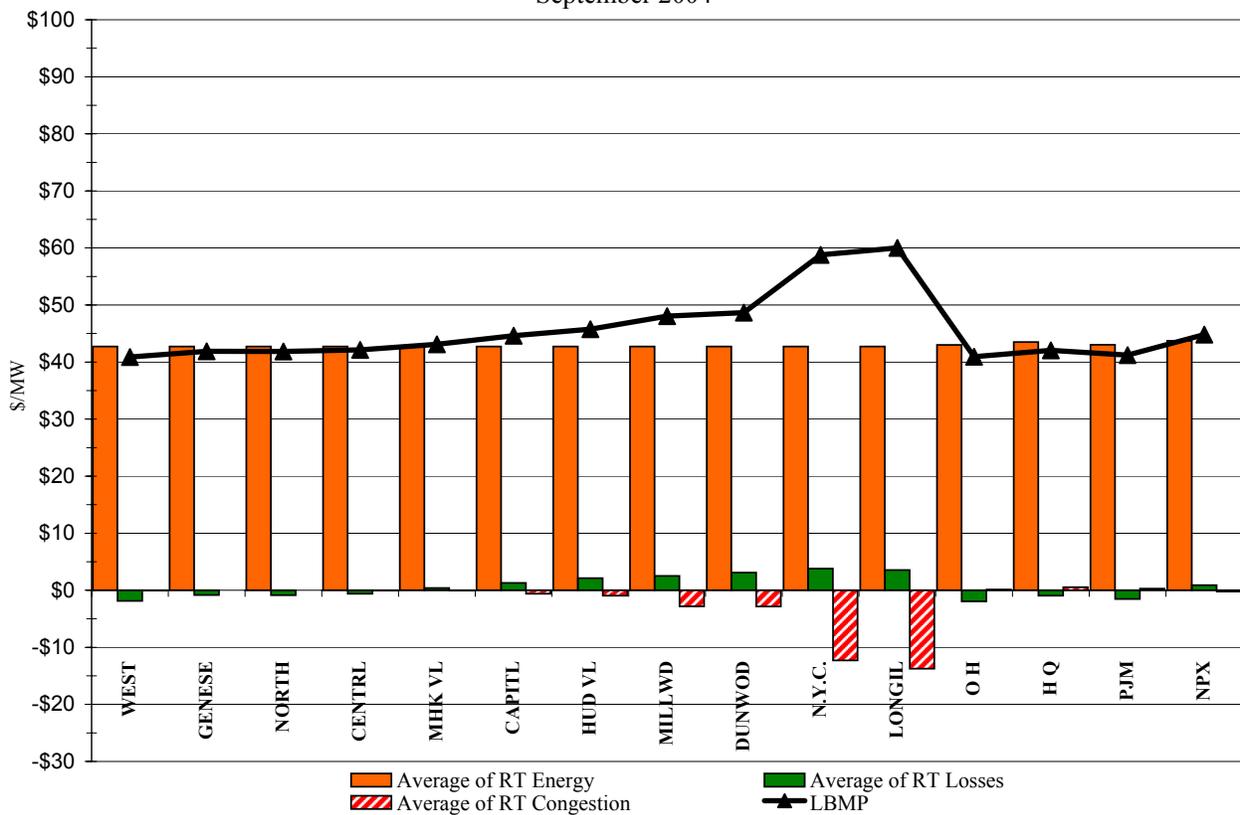
* Commonly referred to as Hour Ahead Market (HAM)

4-L

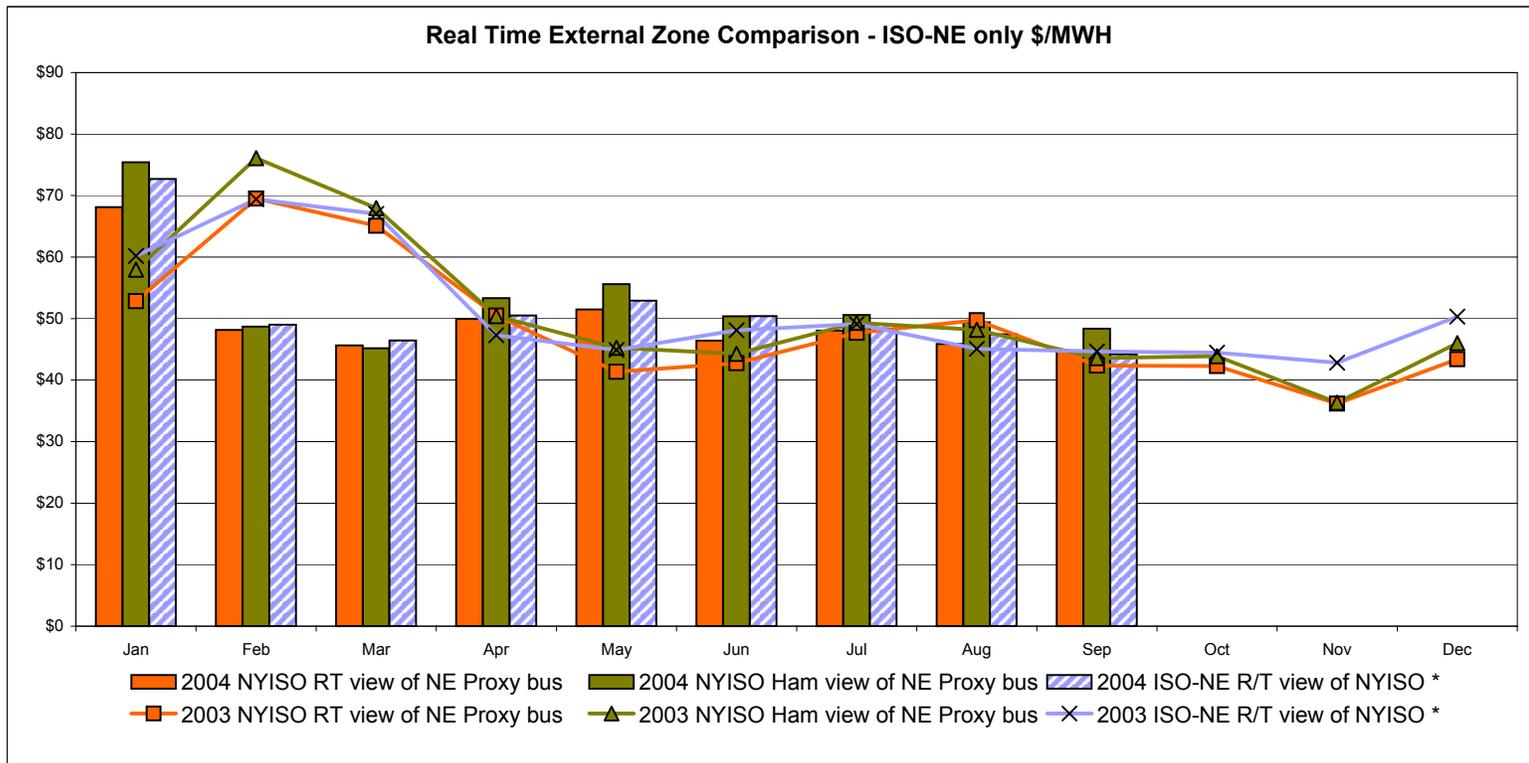
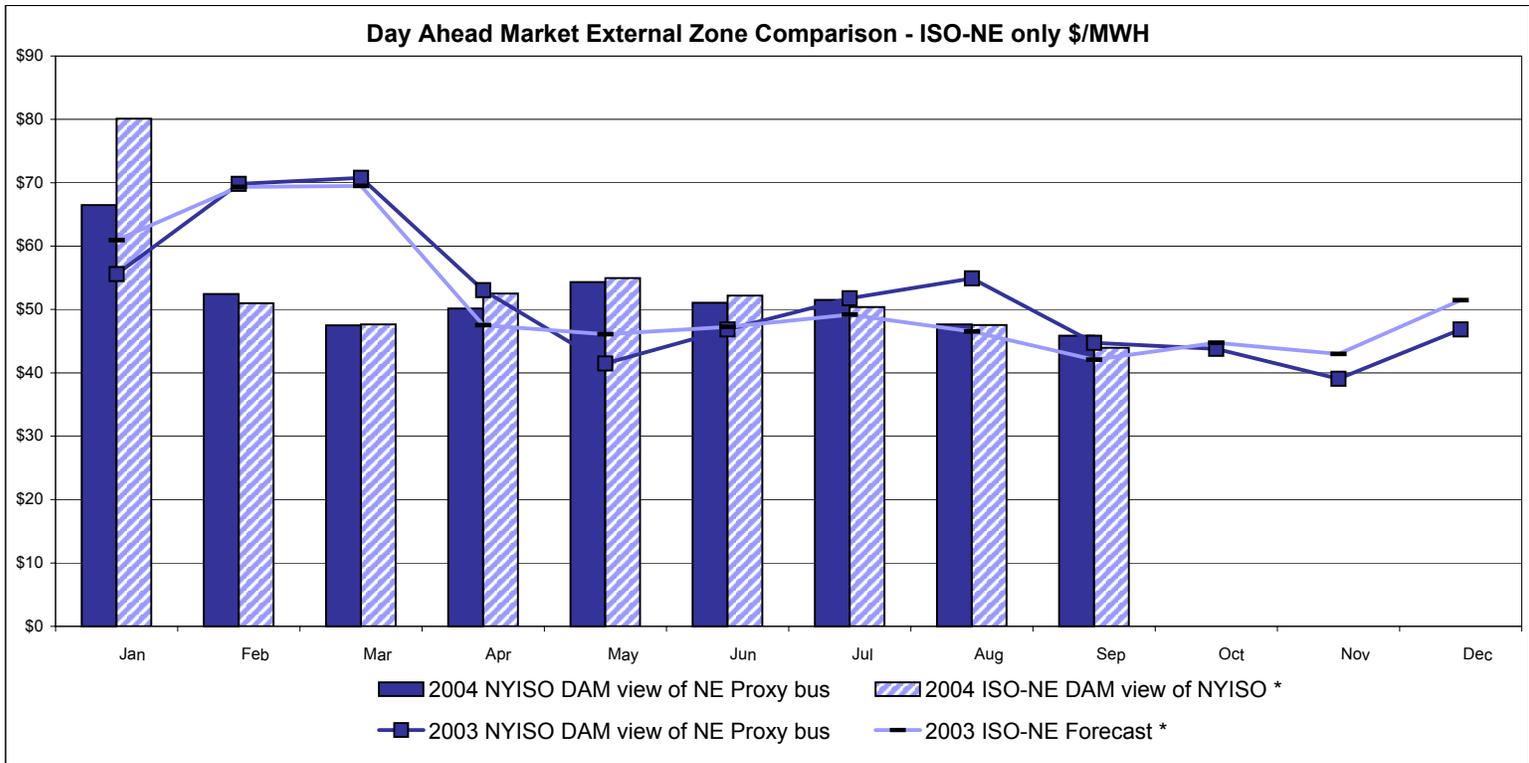
DAM Zonal Unweighted Monthly Average LBMP Components
September 2004



RT Zonal Unweighted Monthly Average LBMP Components
September 2004



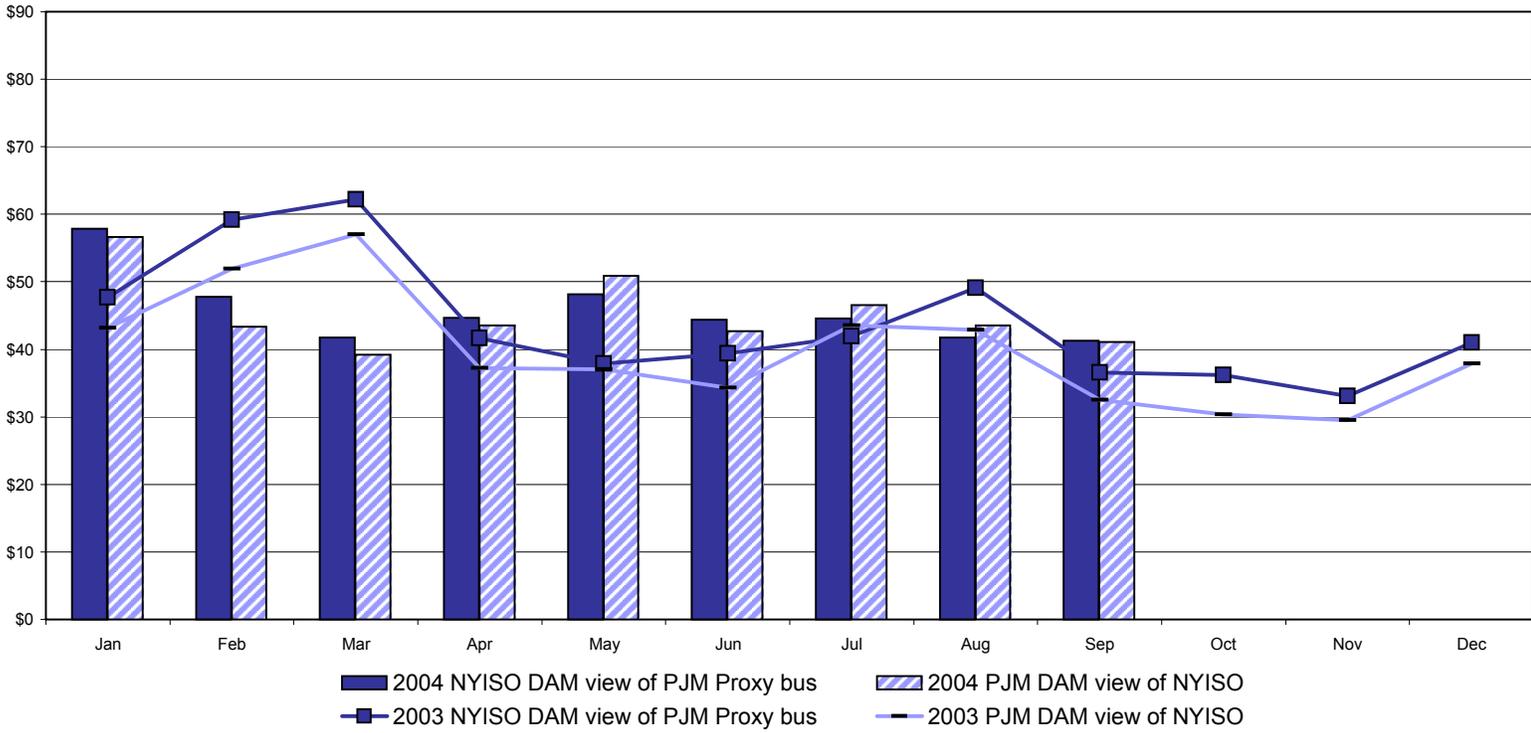
External Comparison ISO-NE



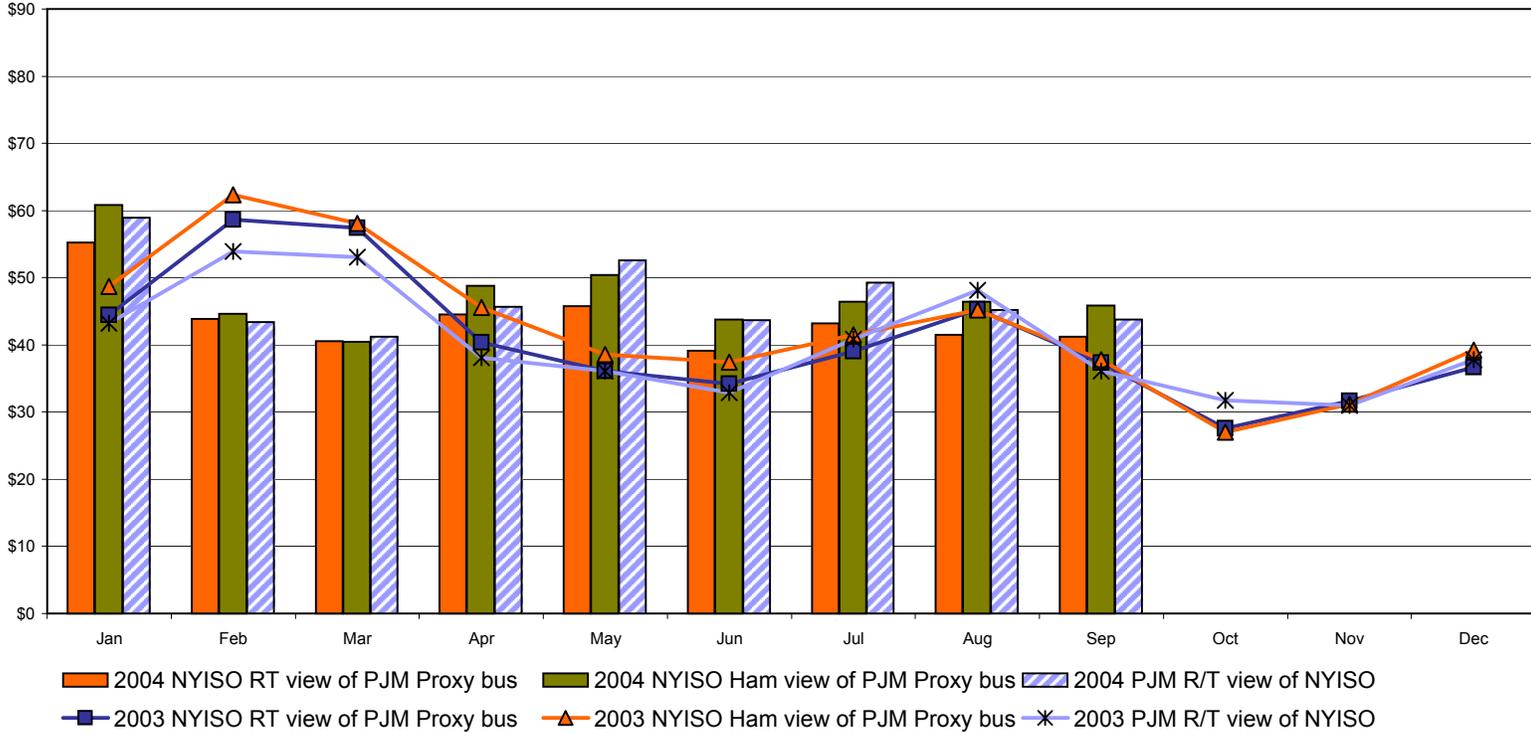
Note:
 ISO-NE Forecast is an advisory posting @ 18:00 day before
 * Effective 3/1/2003 SMD implemented by ISO-NE. The DAM and R/T prices at the Roseton interface are now used.

External Comparison PJM

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

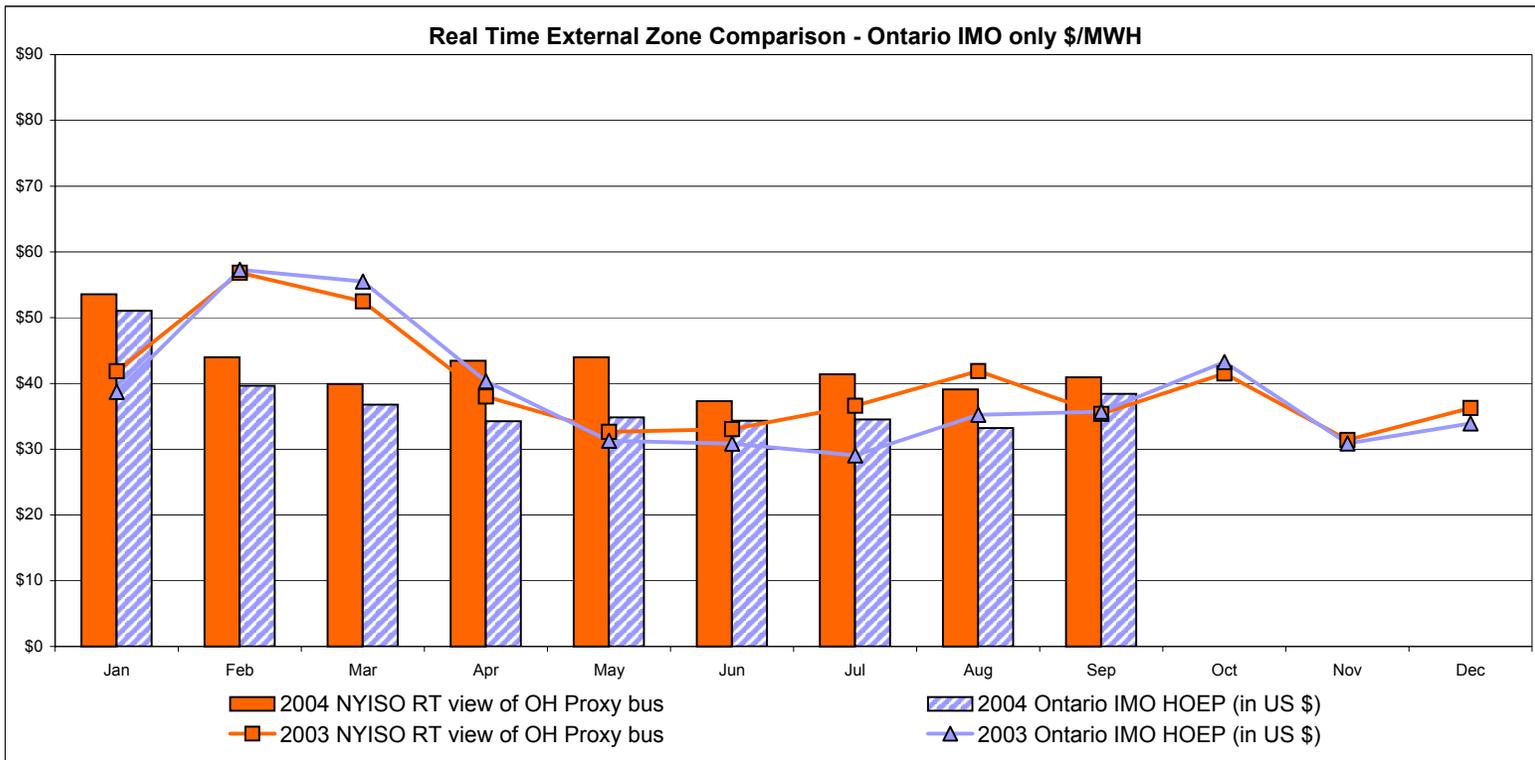
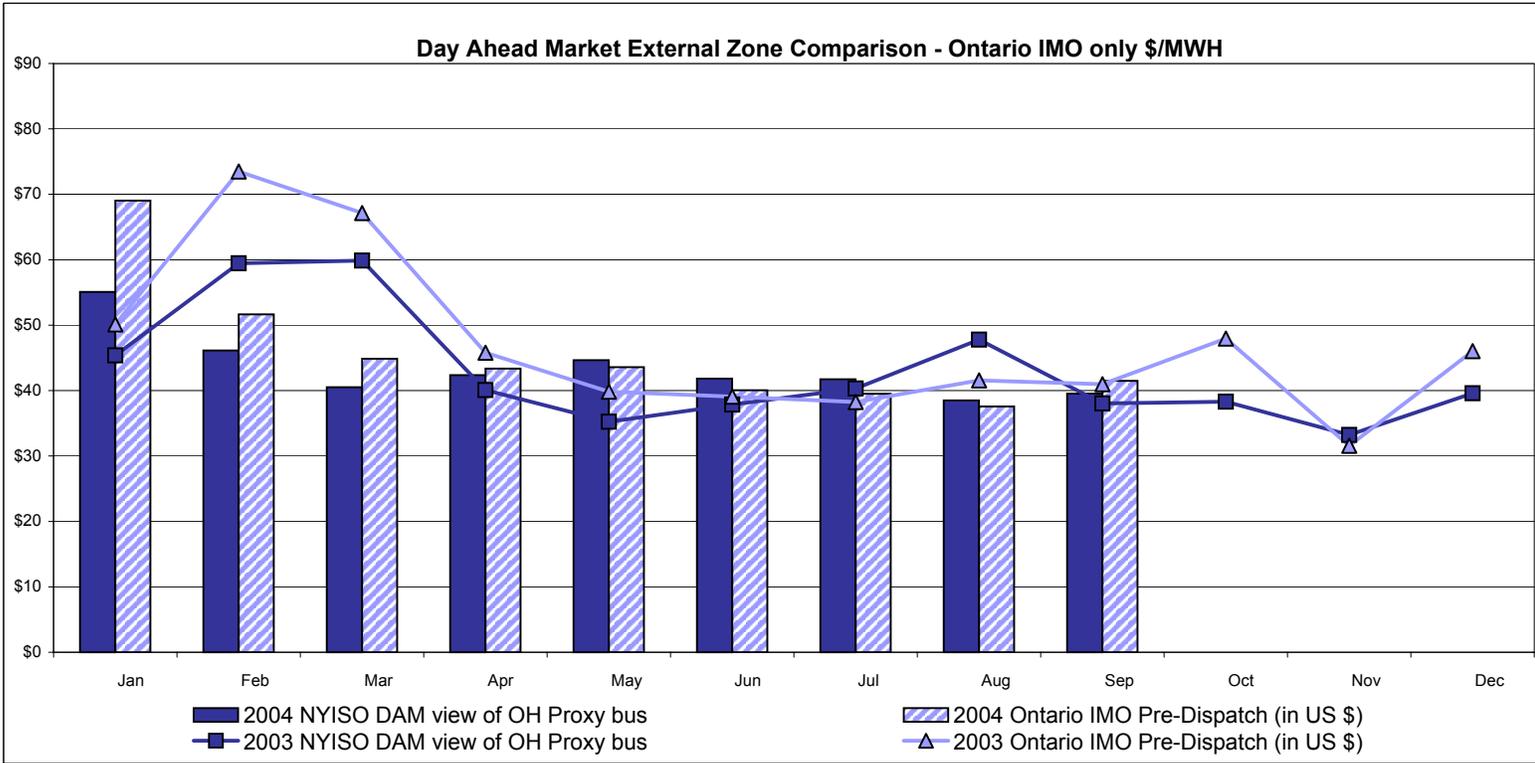


Real Time External Zone Comparison - PJM only \$/MWH



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

External Comparison Ontario IMO



Notes: Exchange factor used for September 2004 was .78 to US \$
 HOEP: Hourly Ontario Energy Price
 Pre-Dispatch: Projected Energy Price
 Pre-Dispatch data from 8/14/03 Hr 15 thru 8/21/03 not included

NYISO Price Correction Statistics

NYISO Price Corrections 2004

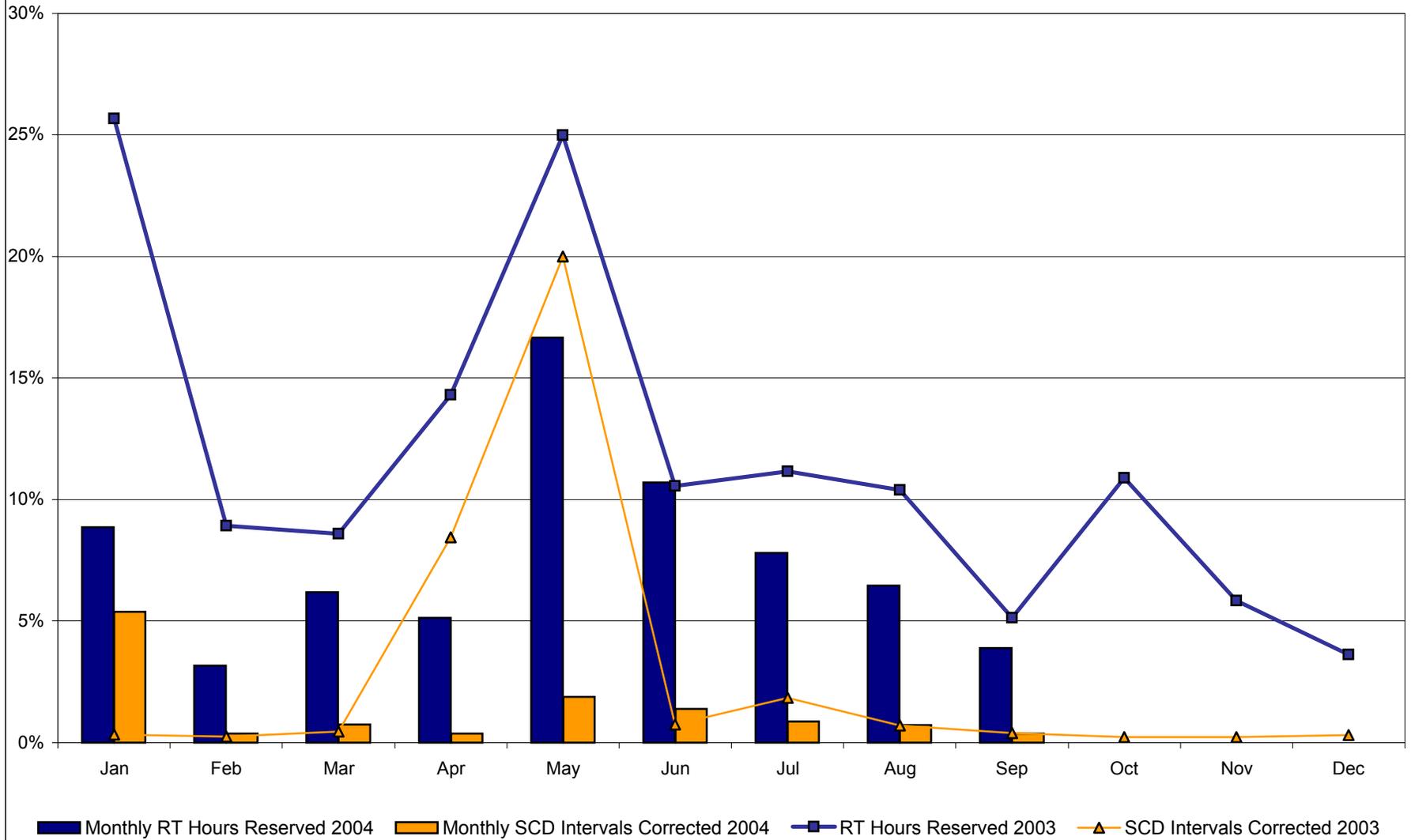
<u>Interval Corrections</u>	January	February	March	April	May	June	July	August	September	October	November	December
Number of Intervals corrected in the month	597	40	83	40	220	156	100	84	42			
Number of Intervals in the month	11,089	10,495	11,085	10,805	11,740	11,234	11,467	11,552	11,178			
Percentage of intervals corrected in the month	5.38%	0.38%	0.75%	0.37%	1.87%	1.39%	0.87%	0.73%	0.38%			
Number of Intervals corrected Year-to-date	597	637	720	760	980	1,136	1,236	1,320	1,362			
Number of Intervals Year-to-date	11,089	21,584	32,669	43,474	55,214	66,448	77,915	89,467	100,645			
Percentage of intervals corrected Year-to-date	5.38%	2.95%	2.20%	1.75%	1.77%	1.71%	1.59%	1.48%	1.35%			
<u>Hours Reserved</u>												
Number of hours reserved in the month	66	22	46	37	124	77	58	48	28			
Number of hours in the month	744	696	744	720	744	720	744	744	720			
Percentage of hours reserved in the month	8.87%	3.16%	6.18%	5.14%	16.67%	10.69%	7.80%	6.45%	3.89%			
Number of hours reserved Year-to-date	66	88	134	171	295	372	430	478	506			
Number of hours Year-to-date	744	1,440	2,184	2,904	3,648	4,368	5,112	5,856	6,576			
Percentage of hours reserved Year-to-date	8.87%	6.11%	6.14%	5.89%	8.09%	8.52%	8.41%	8.16%	7.69%			
<u>Days Without Corrections</u>												
Days without price corrections in the month	14	20	11	9	8	6	9	12	12			
Days without price corrections Year-to-date	14	34	45	54	62	68	77	89	101			

NYISO Price Corrections 2003

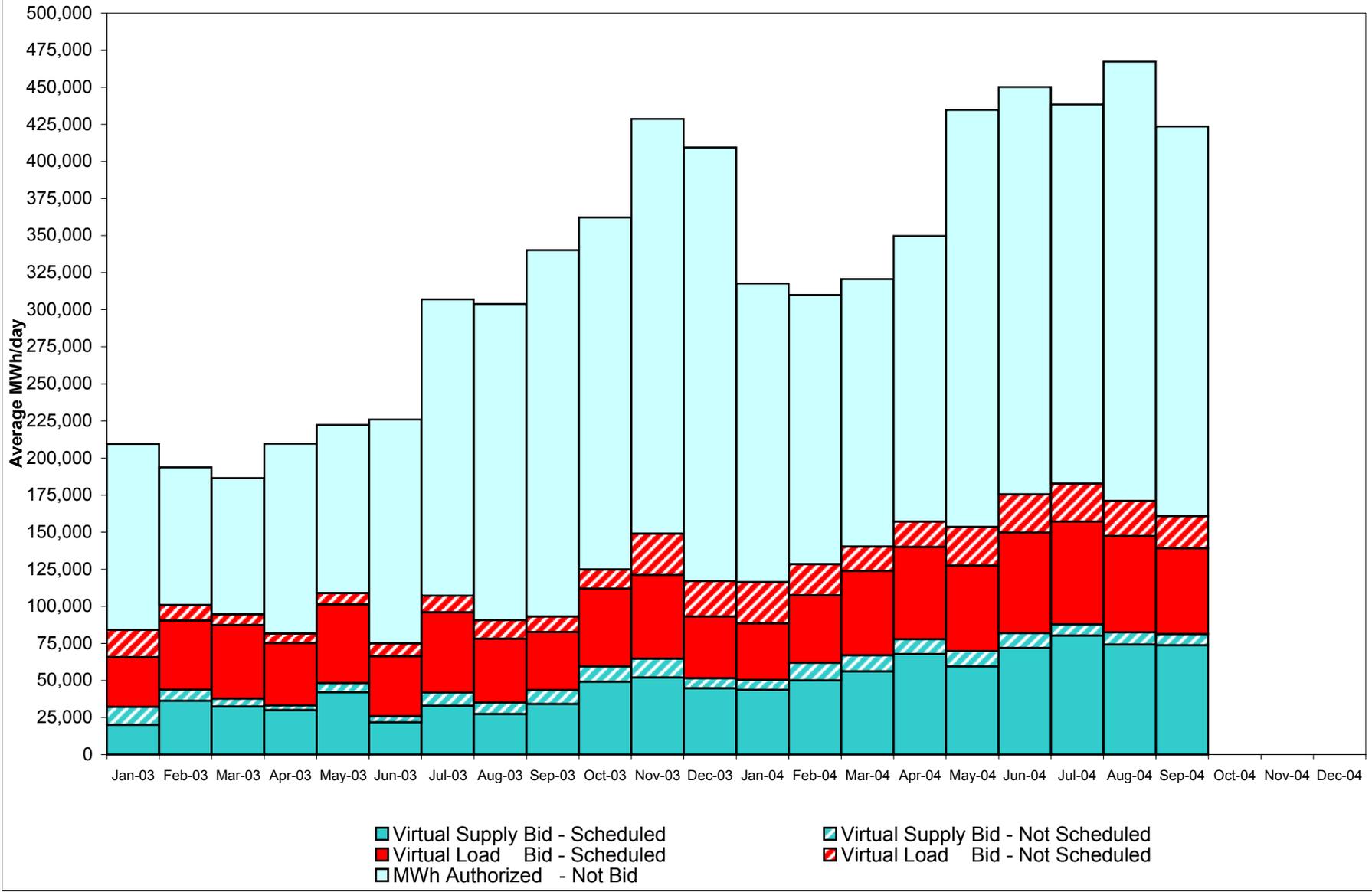
<u>Interval Corrections</u>	January	February	March	April	May	June	July	August	September	October	November	December
Number of Intervals corrected in the month	36	25	49	891	2,254	79	202	71	41	25	25	34
Number of Intervals in the month	10,986	10,197	10,918	10,554	11,274	10,729	10,998	9,973	10,620	11,248	10,629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

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

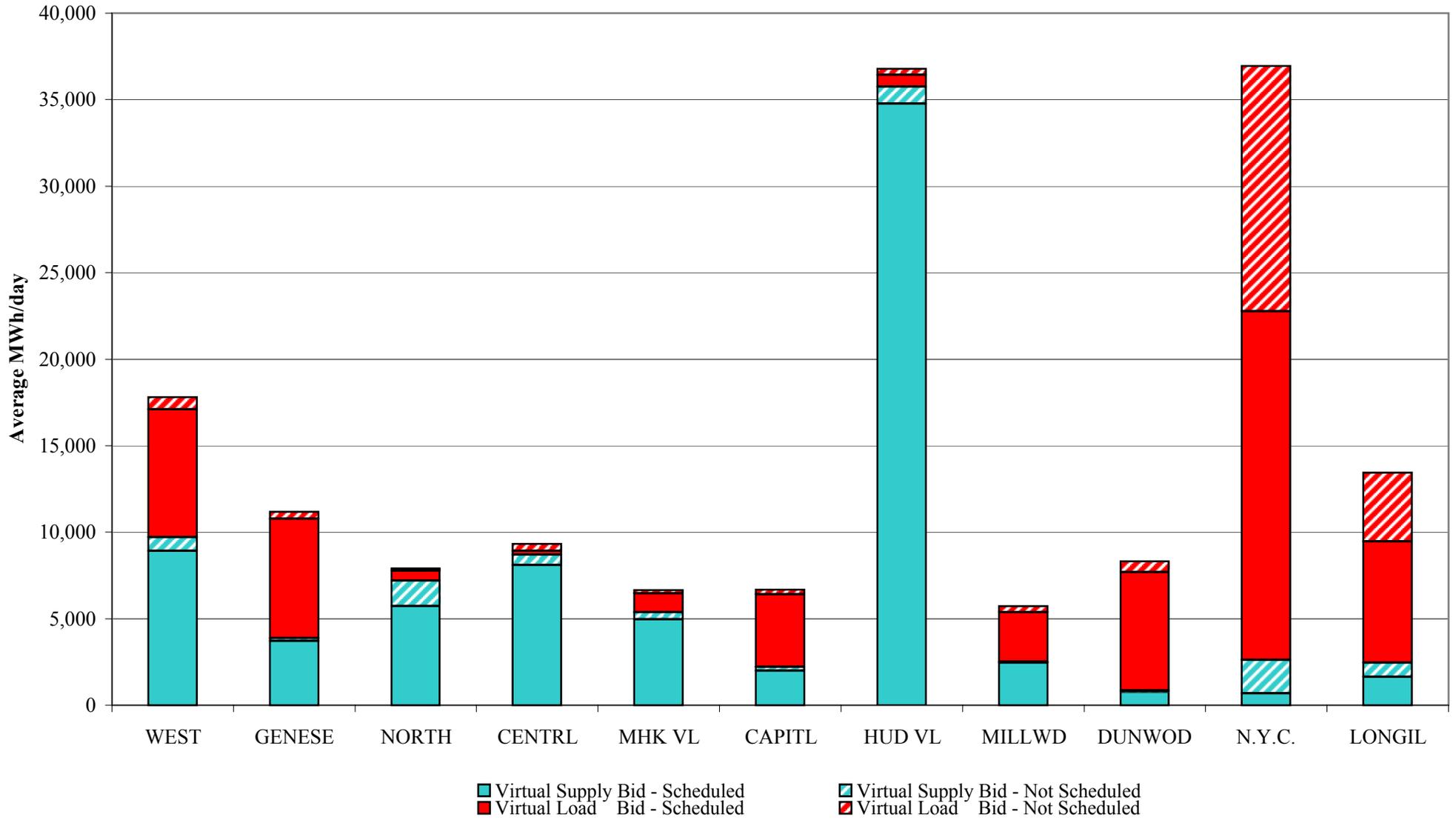
Percentage of Real-Time Corrections



**NYISO Virtual Trading
Average MWh per day**

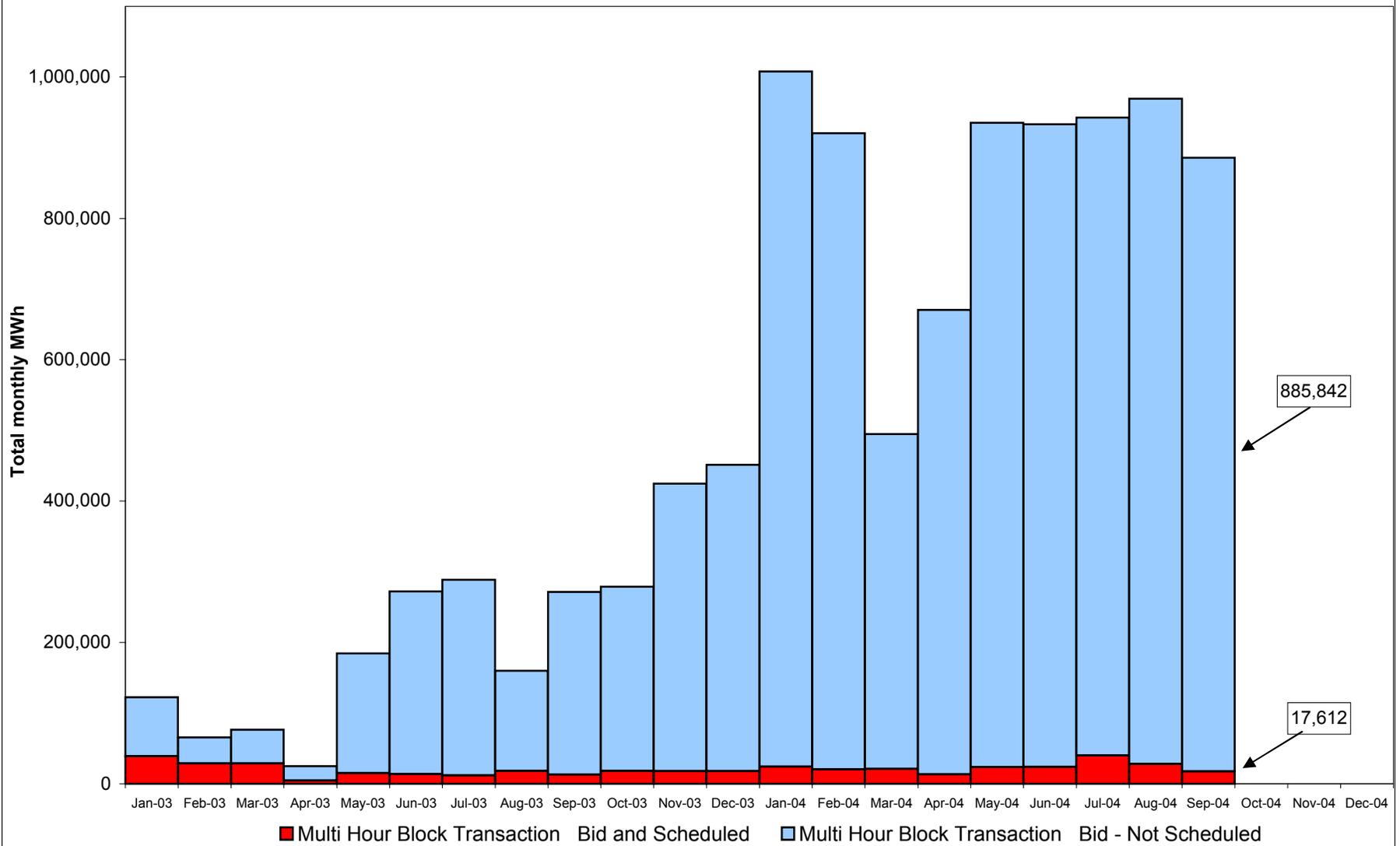


Virtual Load and Supply Zonal Statistics September 2004

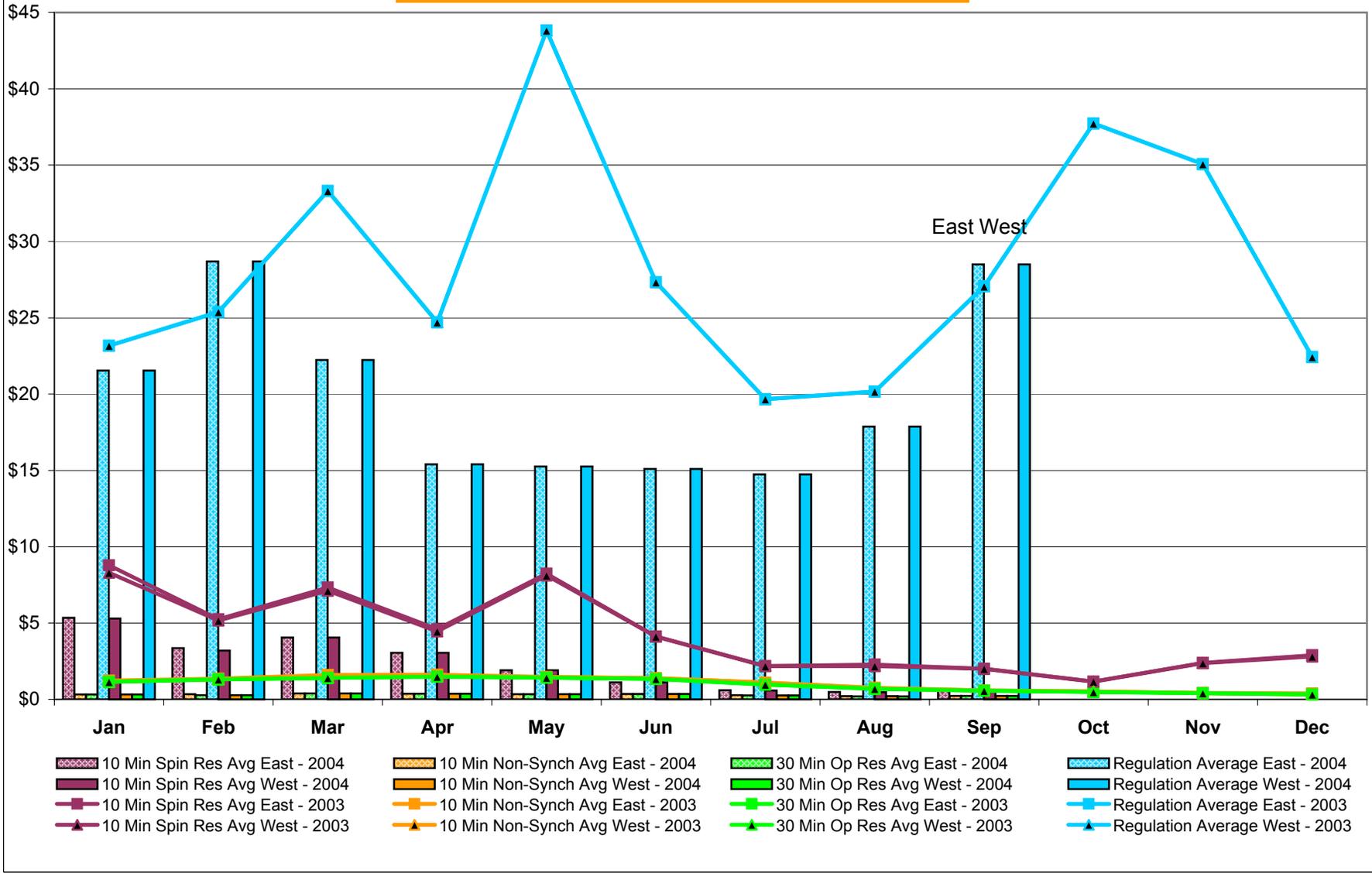


4-T

NYISO Multi Hour Block Transactions Monthly Total MWh



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



NYISO Monthly Average Ancillary Service Prices BME * 2003 - 2004



* Commonly referred to as Hour Ahead Market (HAM)

NYISO Markets Ancillary Services Statistics

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

ANCILLARY SERVICES Unweighted Price (\$/MWH) 2004

Day Ahead Market

10 Min Spin East	5.35	3.36	4.05	3.04	1.91	1.11	0.60	0.49	0.55
10 Min Spin West	5.29	3.20	4.05	3.04	1.90	1.11	0.58	0.47	0.54
10 Min Non Synch East	0.33	0.33	0.39	0.38	0.34	0.35	0.27	0.21	0.23
10 Min Non Synch West	0.32	0.27	0.39	0.38	0.33	0.35	0.26	0.20	0.22
30 Min East	0.32	0.27	0.39	0.38	0.33	0.35	0.26	0.20	0.22
30 Min West	0.32	0.27	0.39	0.38	0.33	0.35	0.26	0.20	0.22
Regulation East	21.54	28.69	22.23	15.41	15.26	15.10	14.74	17.88	28.50
Regulation West	21.54	28.69	22.23	15.41	15.26	15.10	14.74	17.88	28.50

BME* Market

10 Min Spin East	4.84	3.96	6.65	4.69	4.67	3.99	1.51	1.87	1.75
10 Min Spin West	4.75	4.27	6.89	4.82	5.48	4.20	1.90	2.36	2.36
10 Min Non Synch East	1.85	0.81	0.87	1.05	1.14	1.49	0.62	0.49	0.45
10 Min Non Synch West	1.71	0.60	0.64	1.06	2.31	1.49	0.73	0.61	0.60
30 Min East	1.51	0.70	0.72	1.06	2.20	1.67	1.23	0.71	0.67
30 Min West	1.51	0.70	0.72	1.06	2.20	1.67	1.23	0.71	0.67
Regulation East	23.07	14.18	19.41	11.78	7.85	11.98	15.38	12.36	24.14
Regulation West	23.07	14.18	19.41	11.78	7.85	11.98	15.38	12.36	24.14

ANCILLARY SERVICES Unweighted Price (\$/MWH) 2003

Day Ahead Market

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

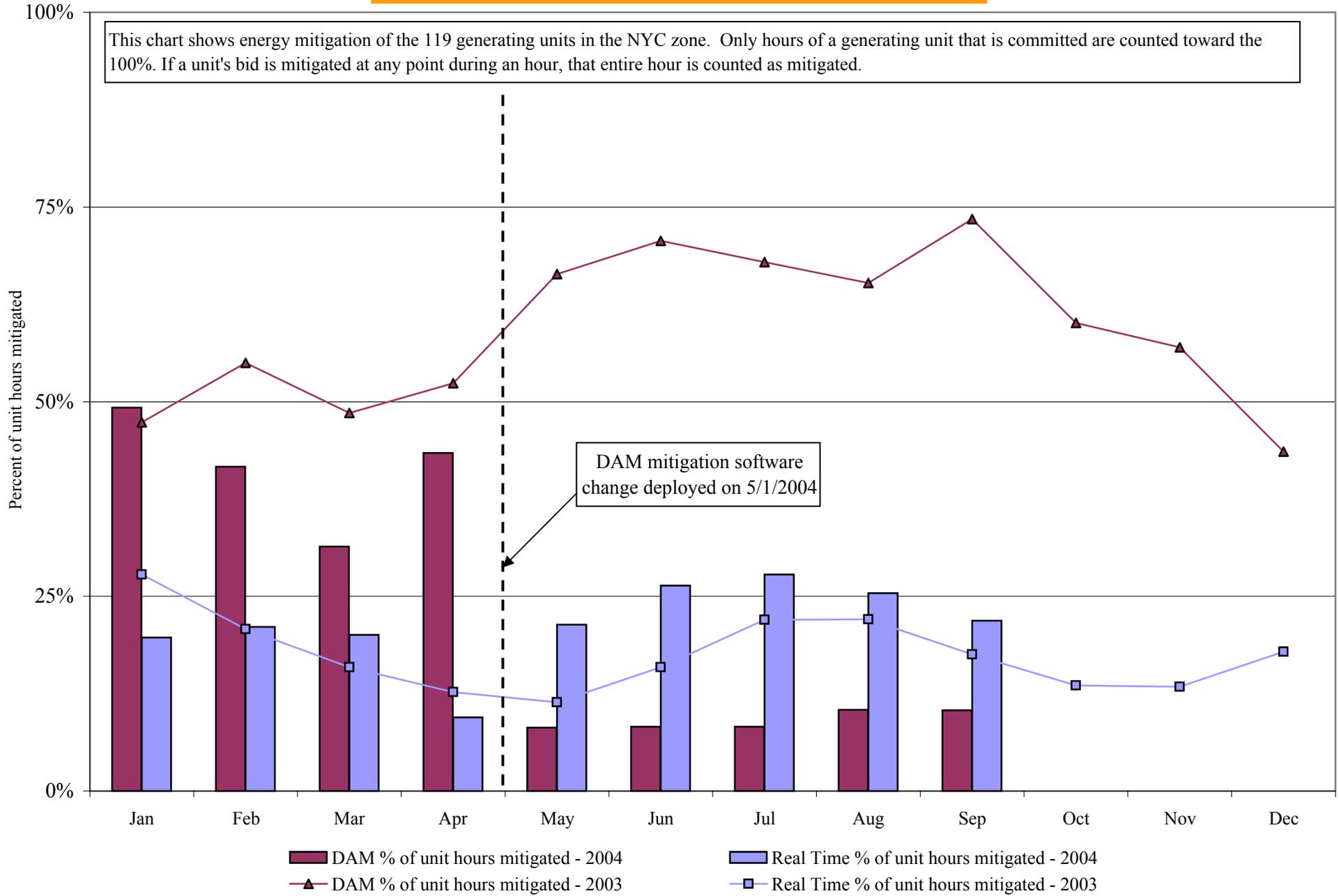
BME* Market

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

* Commonly Referred to as Hour Ahead Market (HAM)

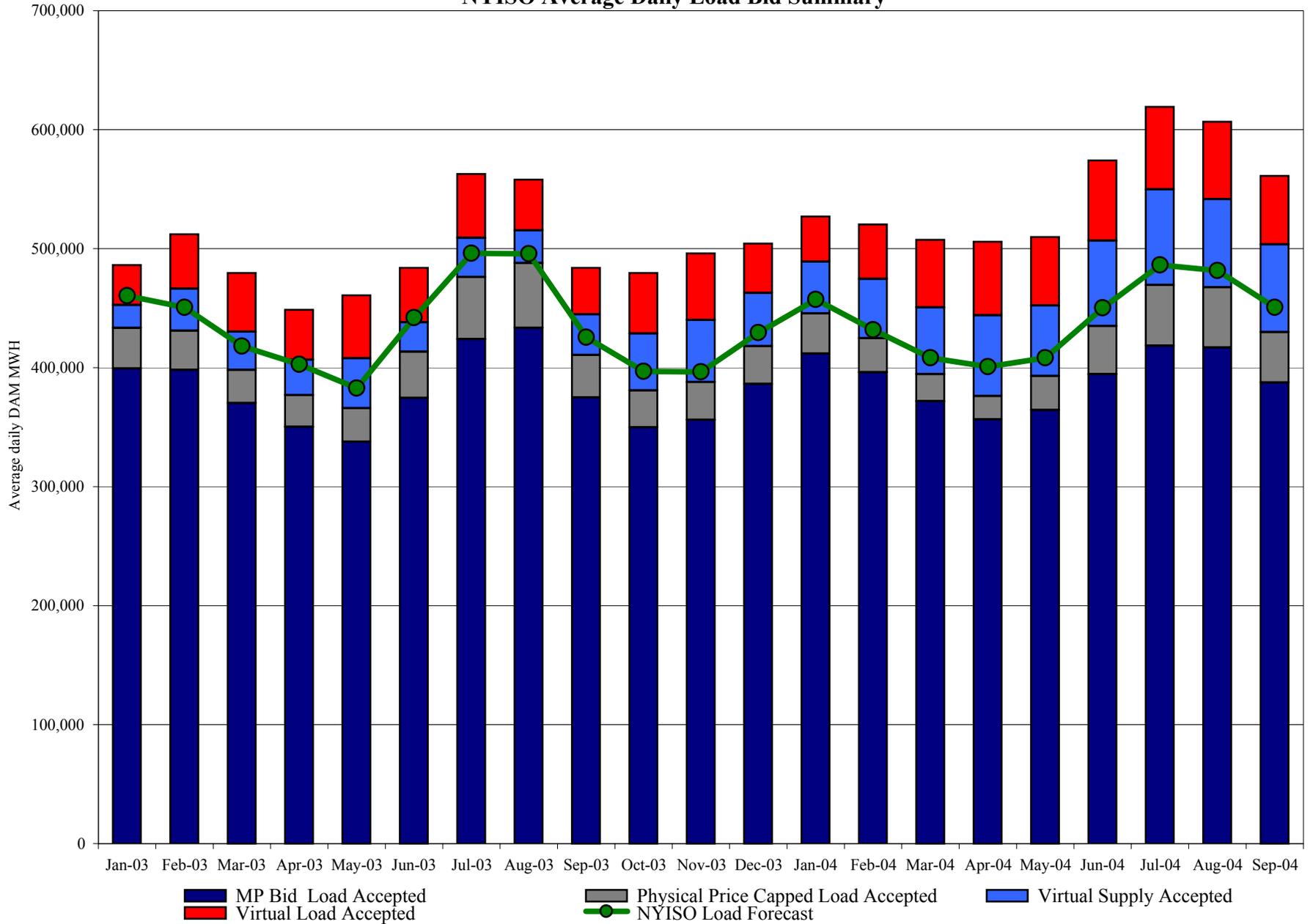
NYISO In City Energy Mitigation (NYC Zone) 2003-2004

Percentage of committed unit-hours mitigated

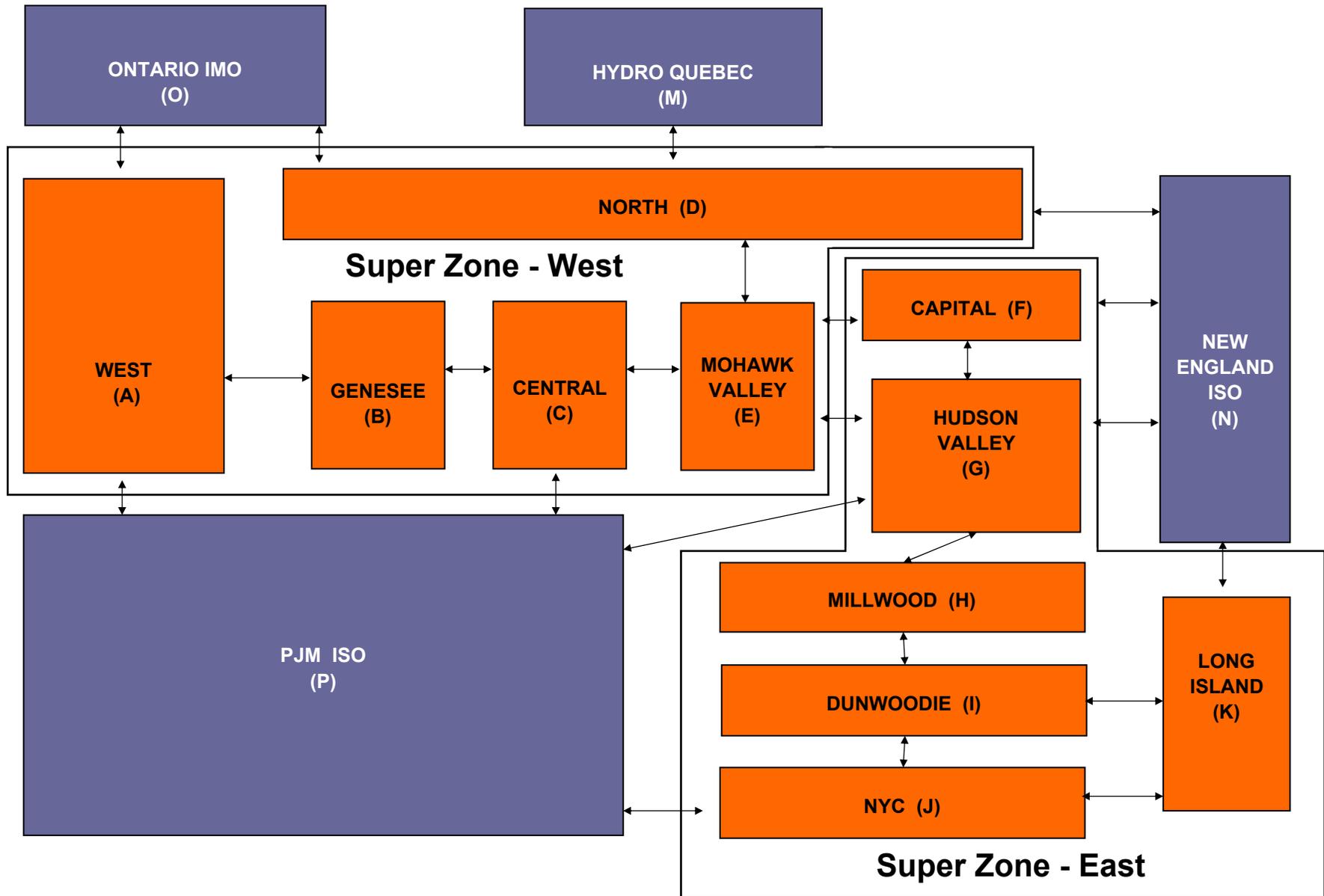


4-Y

NYISO Average Daily Load Bid Summary



NYISO LBMP ZONES



RELIABILITY GATEWAY GOAL

1. Maintain service to NYCA load. No interruption of load because of improper implementation of NYISO operating procedures by the NYISO.		--	No loss of load or deliberate load shedding triggering a NERC reportable event (>300MW for >15 minutes)
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MARKET GATEWAY GOAL

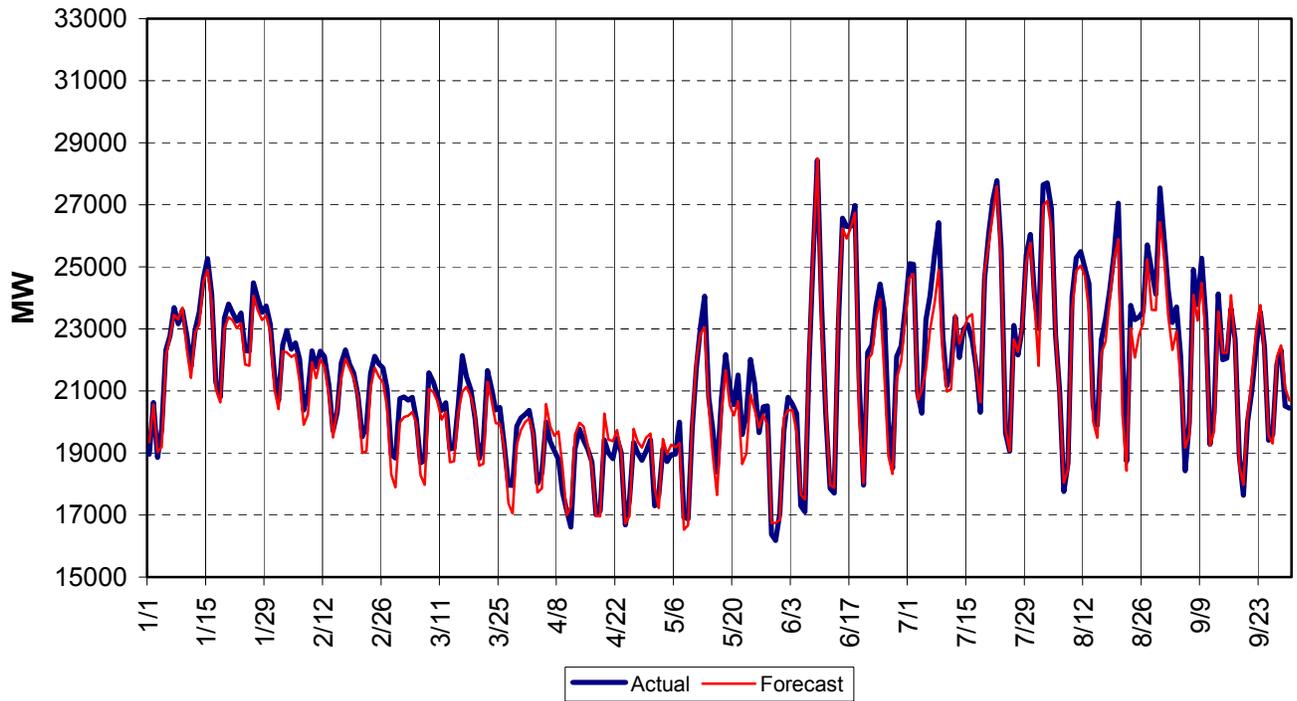
2. Successfully post DAM schedules/forward contracts.		--	DAM schedules/forward contracts are posted >=99.7% of the time during 2004
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Goal Values

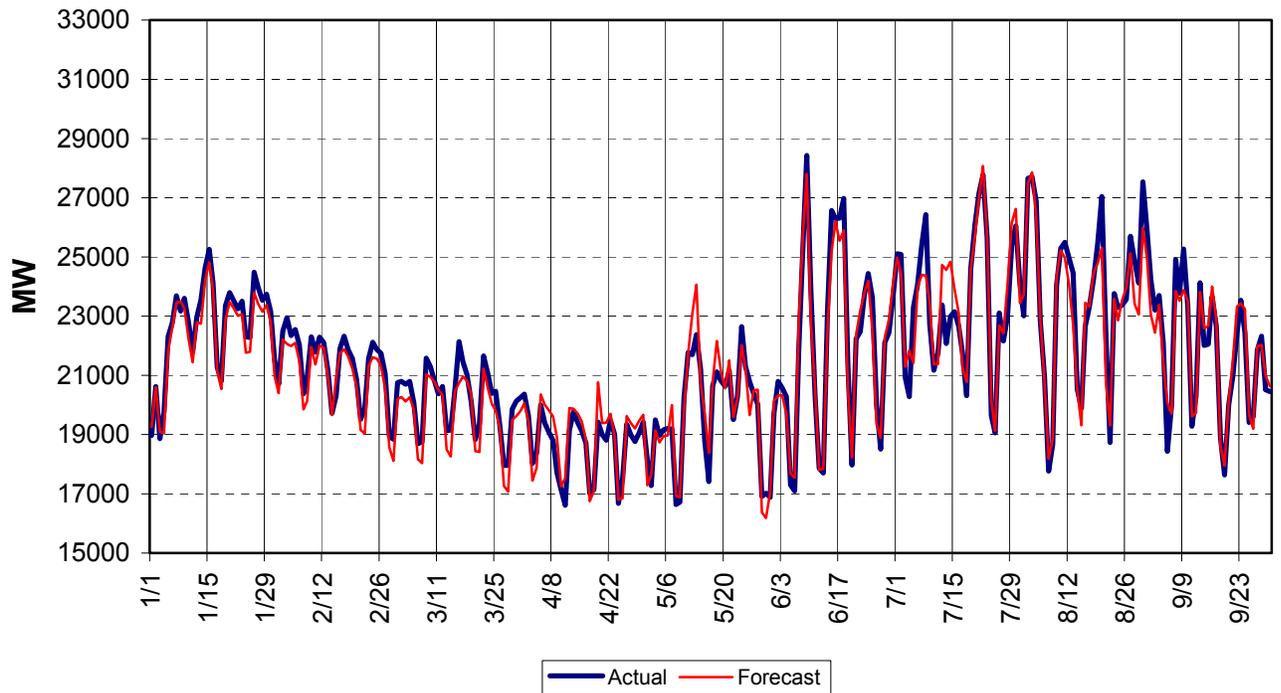
Goal Description	YTD Data	Threshold Payout-50%	Target Payout-100%	Superior Payout-150%
3. Comprehensive Electric System Planning a. Complete Phase I Study b. Complete FERC filing of Phase II	 Submitted 5/15 & 8/20	7/1/04 12/1/04	6/1/04 11/1/04	5/15/04 10/1/04
4. Comply with NERC/NAERO Operating Standards a. CPS-2: b. Disturbance Control Standards (DCS):	 9/9 months Sept - 97.13  9/9 months	10 of 12 months 10 of 12 months	12 of 12 months 11 of 12 months	-- 12 of 12 months
5.a. Achieve timely posting of DAM schedules and forward contracts. Post by 11 a.m.: b. i) MIS availability >= 9x.x% as planned, based on current availability metrics ii) During the year, an individual occurrence of unplanned (i.e., <48 hours' notice) service interruptions will not be greater than 4 hours; there won't be more than:	 274/274 postings  September-100.00%  5 occurrences	360/366 postings 10 of 12 months 3 occurrences of 1-4 hours each	363/366 postings 11 of 12 months 2 occurrences of 1-4 hours each	366/366 postings 12 of 12 months 1 occurrence of 1-4 hours
6. Improve the certainty and accuracy of Real-Time prices: a. Hours reserved: b. Intervals corrected:	 Through September-7.69% 	<= 12% <= 0.6%	<= 10% <= 0.5%	<= 8% <= 0.4%
7. Improve the billing and true-up process: a. Posting of all invoices within 5 business-days of the month according to invoice schedule b. Metering improvements c. Turnaround of Billing Defects (from NYISO notification)	 8/9 months (12/03-11/04)  --  38 B-Ds	10 of 12 months Finalize a formal meter quality and tracking program 40 B-Ds	11 of 12 months Implement program with Meter Authority agreement 35 B-Ds	12 of 12 months Finalize test schedule & replacement with meter authorities 30 B-Ds
8. Improve Customer Satisfaction with NYISO services as determined via surveying three times annually (average baseline score: 6.397)	 July survey: 6.732; Weighted YTD: 6.738	Score of >= 6.525	Score of >= 6.653	Score of >= 6.781
9. Project execution (weighted 20%) a. 1) Project Management – Scheduling 2) Project Management - Costs b. SMD2	 9 projects qualified – 0 miss (sch);  0 miss (cost) *	3 misses 3 misses 11/16	2 misses 2 misses 10/12	<=1 miss <=1 miss --

* internal schedule driving to 12/1 deployment

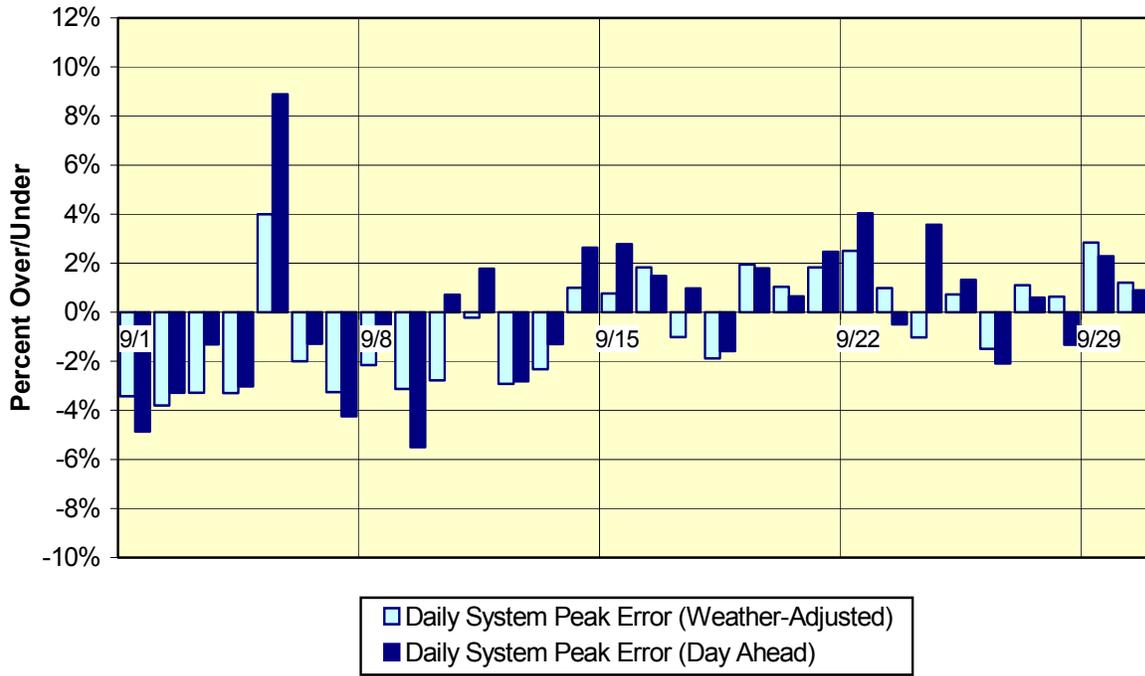
NYISO Daily Peak Load Actual vs. Weather-Adjusted Forecast



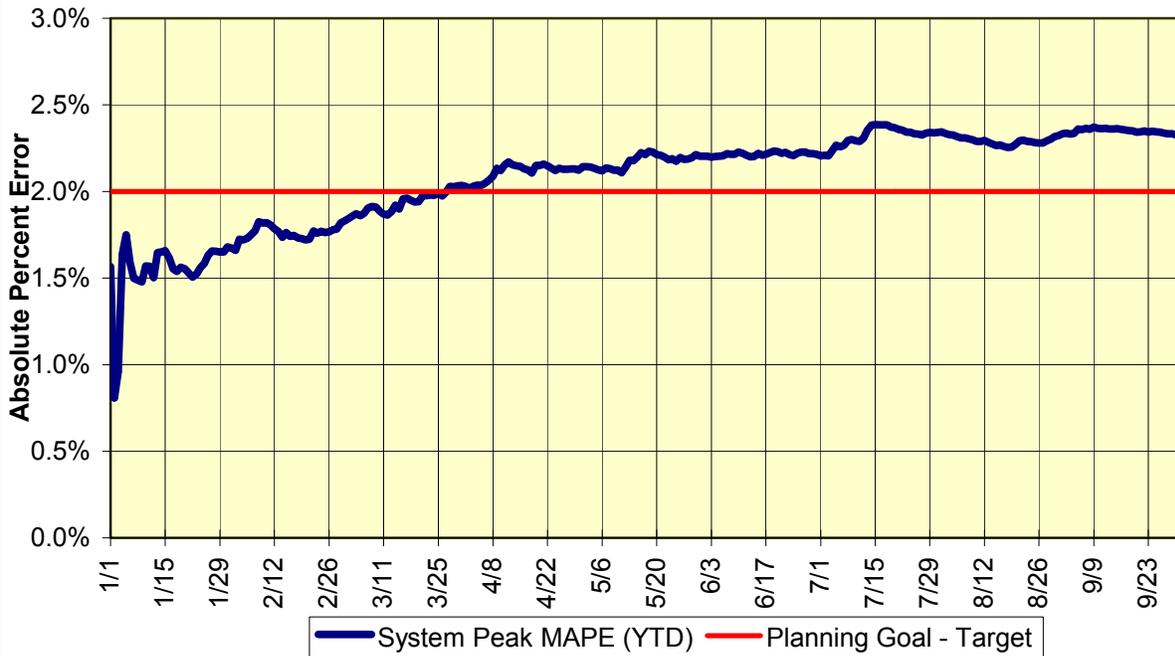
NYISO Daily Peak Load Actual vs. Forecast



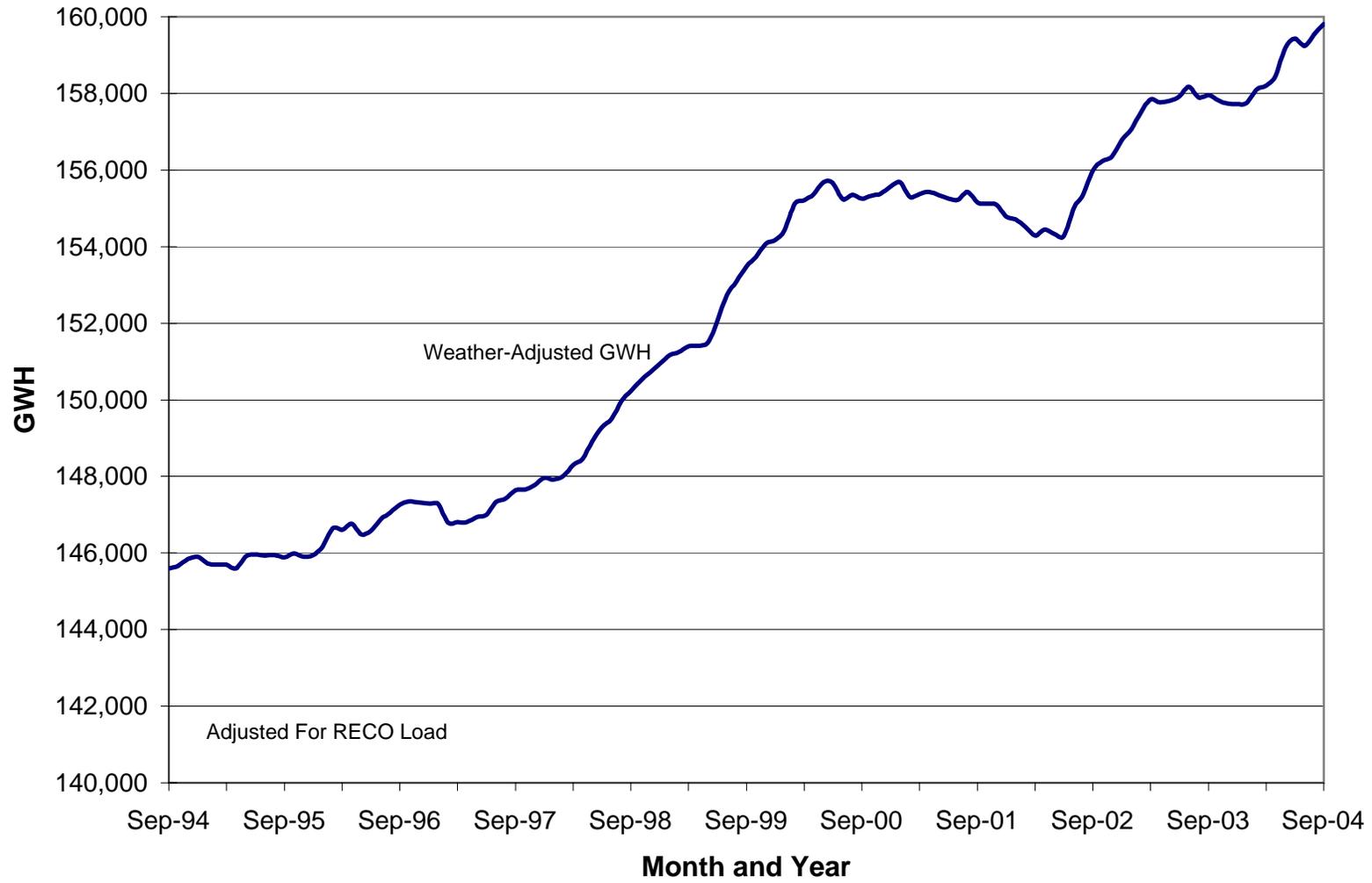
Day-Ahead Forecast Daily Forecast Errors of System Peak September, 2004



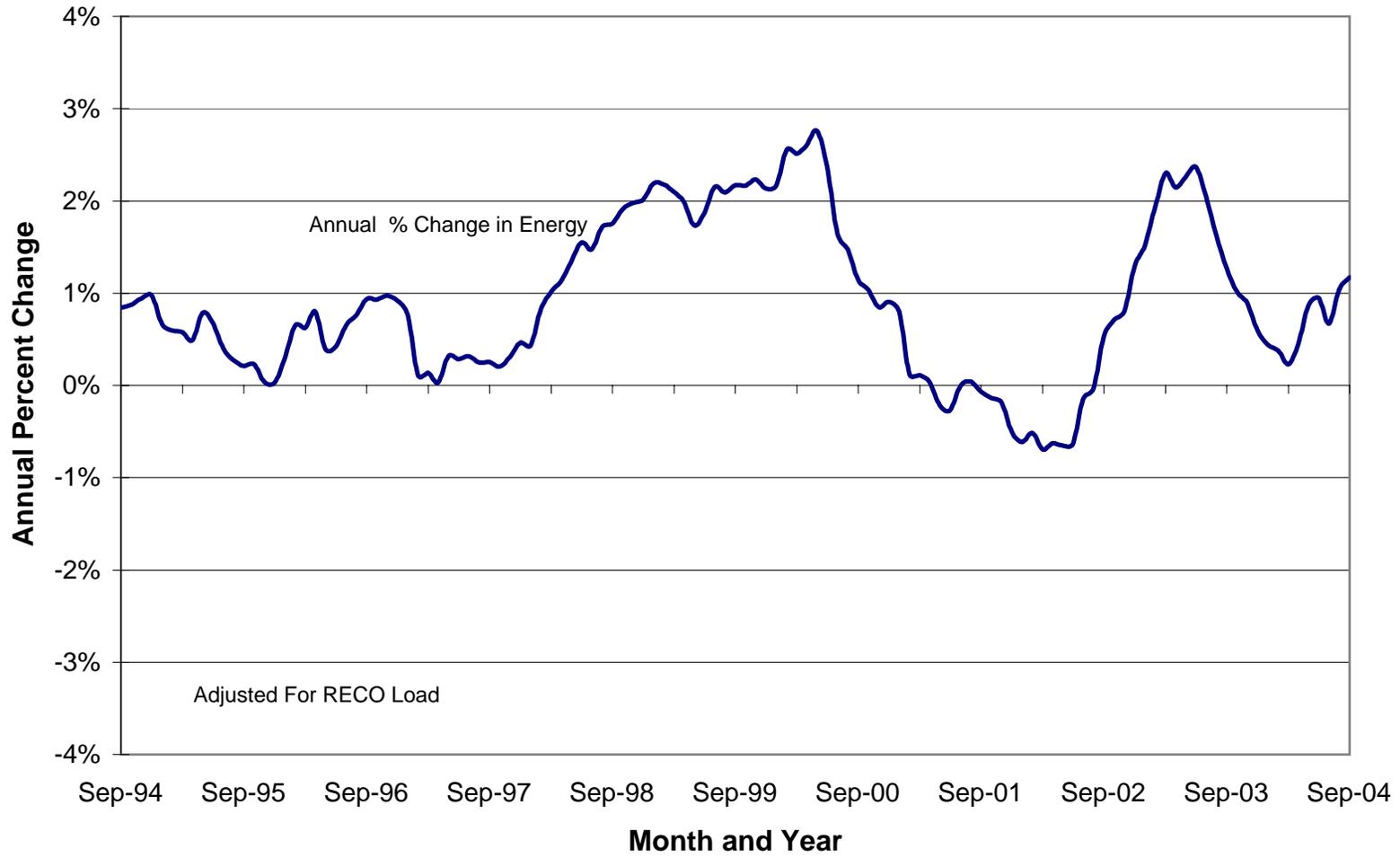
Day-Ahead Forecast Cumulative Performance - Daily System Peak 2004 Year-to-Date



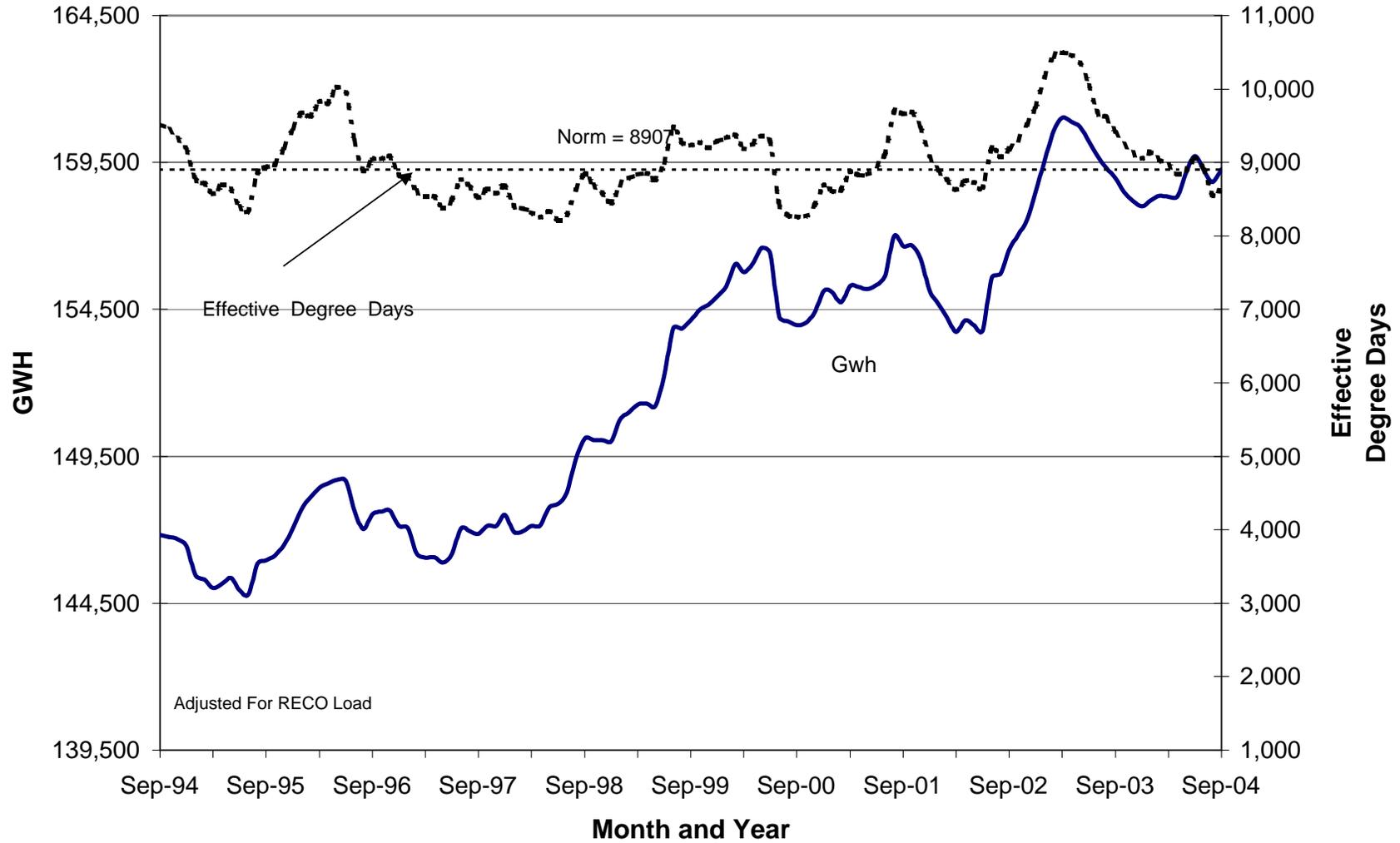
Plot Of 12 Month Moving Total Of NYCA Weather Adjusted Energy Sendout



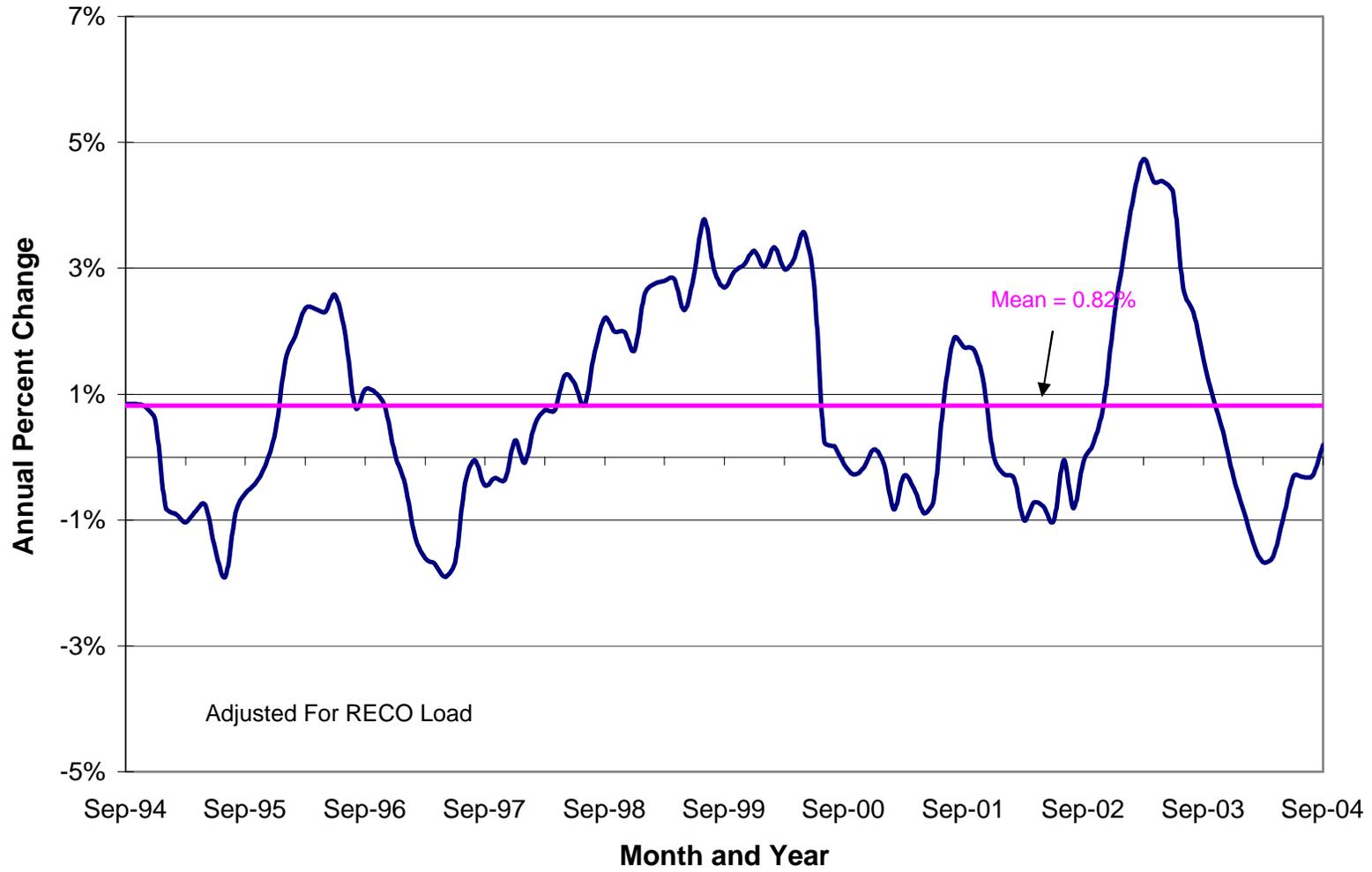
Plot Of Weather Adjusted 12 Month Moving Total Energy Sendout Annual Percent Change



**Plot Of 12 Month Moving Total Of NYCA Energy Sendout
And Effective Degree Days For 10 Years**



**Plot Of 12 Month Moving Total Energy Sendout
Annual Percent Change For 10 Years**



NYISO Regulatory Filings September 2004

- Sept. 1, 2004 Con Ed filing of a petition for clarification and rehearing of the opinion and order on initial decision - opinion 476 regarding transmission service to NYC involving contracts between NYISO and PJM (EL02-23-000)
- Sept. 1, 2004 NYISO compliance filing of Market Monitoring Plan revisions regarding the exchange of confidential information with PJM (EL02-23-005)
- Sept. 1, 2004 NYISO Services Tariff filing to extend and modify the day-ahead economic load curtailment program (ER04-1188-000)
- Sept. 1, 2004 PJM filing of amendments to its confidentiality agreement provision in compliance with Opinion 476 (EL02-23-004)
- Sept, 1, 2004 Multiple third party filings of requests for clarification and rehearing regarding the commission's order concerning Phase II issues (EL02-23-003)
- Sept. 7, 2004 NYISO filing of a motion to intervene regarding a third party filing to revise its rate tariff to include market behavior rules and inadvertent omission of authority to make ancillary services sales at market-based rates to NYISO, et. al. (ER00-865-002)
- Sept. 7, 2004 Multiple third party filings of request for rehearing and clarification of FERC's order conditionally accepting the NYISO/NYTO filing of large generator interconnection procedures and an interconnection agreement (ER04-449-000/001/002)
- Sept 7, 2004 Multiple third party filings of answers to NYISO's motion to reopen record and for disposition on remand regarding Energy Limited Resources Extraordinary Corrective Action order by US Court of Appeals (EL01-19-000/001, EL02-16-000/001)
- Sept. 7, 2004 NYISO and NYTO joint filing of a request for clarification and rehearing of FERC August 6, 2004, large generator interconnection order (ER04-449-000/001/002)
- Sept. 8, 2004 Third party joint filing of a motion to intervene regarding the NYISO tariff filing to clarify exemptions from balancing rules and under generation penalties and to enhance bid-cost protections under the real time scheduling rules (ER04-1138-000)
- Sept. 9, 2004 NYISO filing of a rehearing request of August 10, 2004 order regarding the timing of the introduction of improvements to combined cycle modeling with implementation of RTS market reforms (ER04-230-006, ER01-3155-006, ER01-1385-015, EL01-45-014)
- Sept. 10, 2004 Multiple third party filings of motions to intervene in support of NYISO's August 20, 2004, filing of proposed amendments to its OATT to establish a comprehensive planning process for the reliability needs of New York (ER04-1144-000)
- Sept. 13, 2004 NYISO filing of a motion to intervene regarding the PSEG v. Con Ed complaint concerning the interconnection dates for PSEG's Bergen 2 Plant (EL04-126-000)

NYISO Regulatory Filings September 2004

- Sept. 15, 2004 NYISO filing of tariff revisions to modify recovery of certain charges assessed under Rate Schedule 1 of its OATT and Services Tariff (ER04-1229-000)
- Sept. 15, 2004 NYISO filing of comments with the Connecticut Department of Public Utility Control regarding the DPUC proceeding regarding a retail renewable portfolio standard
- Sept. 17, 2004 Third party filing of a motion to respond to another third party request for rehearing of an order accepting NYISO's submission of a revised LIPA Transmission Service Charge under the NYISO OATT (ER04-958-000)
- Sept. 20, 2004 NYISO filing of comments in response to AWEA's rulemaking request that FERC adopt certain national standards for the interconnection of wind facilities (PL04-15-000, RM02-12-000, RM02-1-001/005)
- Sept. 22, 2004 NYISO filing of motion requesting leave to submit a response to answers filed in response to NYISO's motion to reopen record and for disposition on remand motion (EL01-19-000/001, EL02-16-000/001)
- Sept. 22, 2004 NYISO/NYTO response to a third party request for clarification of FERC's order conditionally accepting the NYISO/NYTO compliance filing of large generator interconnection procedures and an interconnection agreement (ER04-449-003)
- Sept. 22, 2004 Third party answer to multiple requests for rehearing of FERC's order conditionally accepting the NYISO/NYTO compliance filing of large generator interconnection procedures and an interconnection agreement (ER04-449-003)
- Sept. 23, 2004 Multiple third party filings of motions to intervene regarding the NYISO Services Tariff filing to extend and modify the day-ahead economic load curtailment program (ER04-1188-000)
- Sept. 24, 2004 Third party response to NYISO's request for rehearing of the August 9, 2004, order regarding combined cycle modeling and RTS implementation (ER04-230-006, ER01-3155-006, ER01-1385-015, EL01-45-014)
- Sept. 27, 2004 NYISO filing of an answer to third party protests of the NYISO's filing of proposed amendments to its OATT to establish a comprehensive planning process for the reliability needs of New York (ER04-1144-000)
- Sept. 27, 2004 Multiple third party filings of answers to protests regarding NYISO's filing of a comprehensive reliability planning process (ER04-1144-000)
- Sept. 27, 2004 Third party comments in support of NYISO's response to protests regarding its motion to reopen the record regarding its Extraordinary Corrective Action authority (EL01-19-000/001, EL02-16-000/001)
- Sept. 30, 2004 NYISO tariff filing to provide for a virtual regional dispatch testing project (ER04-1263-000)

NYISO Related FERC Order September 2004

- Sept. 10, 2004 FERC order accepting the NYISO TCC compliance report on efforts to prevent the recurrence of errors involving the administration of transmission congestion contract auctions
(EL04-110-001/002, EL04115-002/03, ER04-983-002/003, EL04-113-002)
- Sept. 13, 2004 FERC order accepting NYISO's proposed ISO Agreement revisions to allow demand response providers and distributed generators to become voting members in stakeholder governance
(ER04-1024-000)
- Sept. 16, 2004 FERC Notice of Inquiry requesting comments regarding its accounting and financial reporting requirements for and oversight of RTO and ISO costs
(RM04-12-000)
- Sept. 22, 2004 FERC letter order accepting NYISO's reports on implementation of the ICAP demand curve and withholding behavior under the ICAP demand curve
(ER03-647-004)
- Sept. 22, 2004 FERC order on remand from the US Court of Appeals (DC Circuit) affirming 3 prior decisions without modification regarding the translation of ICAP to UCAP
(ER01-2563-005)
- Sept. 30, 2004 FERC letter order accepting NYISO's June 1, 2004, semi-annual demand response program compliance report
(ER01-3001-010)
- Sept. 30, 2004 FERC letter order accepting NYISO's refund report regarding certain third party transmission service arrangements
(ER97-1523-082, OA97-470-074, ER97-4234-072)
- Sept. 30, 2004 FERC letter order accepting NYISO's tariff filing of revisions to the customer creditworthiness requirements
(ER03-552-009, ER03-984-007)

NYISO Management Committee Meeting

September 1, 2004

Albany, NY

MOTIONS FROM THE MEETING

Motion #1:

Motion to approve the Minutes from the August 3, 2004 MC meeting.

(Motion passed unanimously)

Motion #2:

Having received a recommendation on the benefits of using 2004 under runs to pay down NYISO debt; the Management Committee hereby amends part f. of Motion # 2, approved November 3, 2003, to read (deleted words are ~~stricken~~, added words are underlined):

If a budget under run occurs after taking into account blackout costs, the under run should be reserved for paying down the principal of the ~~2004~~ 2004 NYISO's debt. This policy should apply for the five-year duration of the 2004 financing.

(Motion passed unanimously)

Motion #3:

The Management Committee (MC) approves the proposed Virtual Regional Dispatch (VRD) Pilot Program, as presented to the Business Issues Committee (BIC) on August 18, 2004 and the MC on September 1, 2004, and recommends to the Board of Directors that the NYISO should be authorized to submit the applicable Tariff modifications to the FERC, pursuant to Section 205 of the Federal Power Act.

As condition of this approval, NYISO staff, in conjunction with ISO-NE staff and Market Participants, will engage in development discussions to bring Market Participant based solution(s) to this issue to the forefront as primary potential solution path(s), for discussion and action by BIC (and the MC as appropriate) at a future date.

As further condition of this approval, NYISO staff and all parties acknowledge that the votes registered on this motion are not deemed to be support for, or lack thereof, for any further development of any intra-hour transaction solution.

(Motion passed by majority)

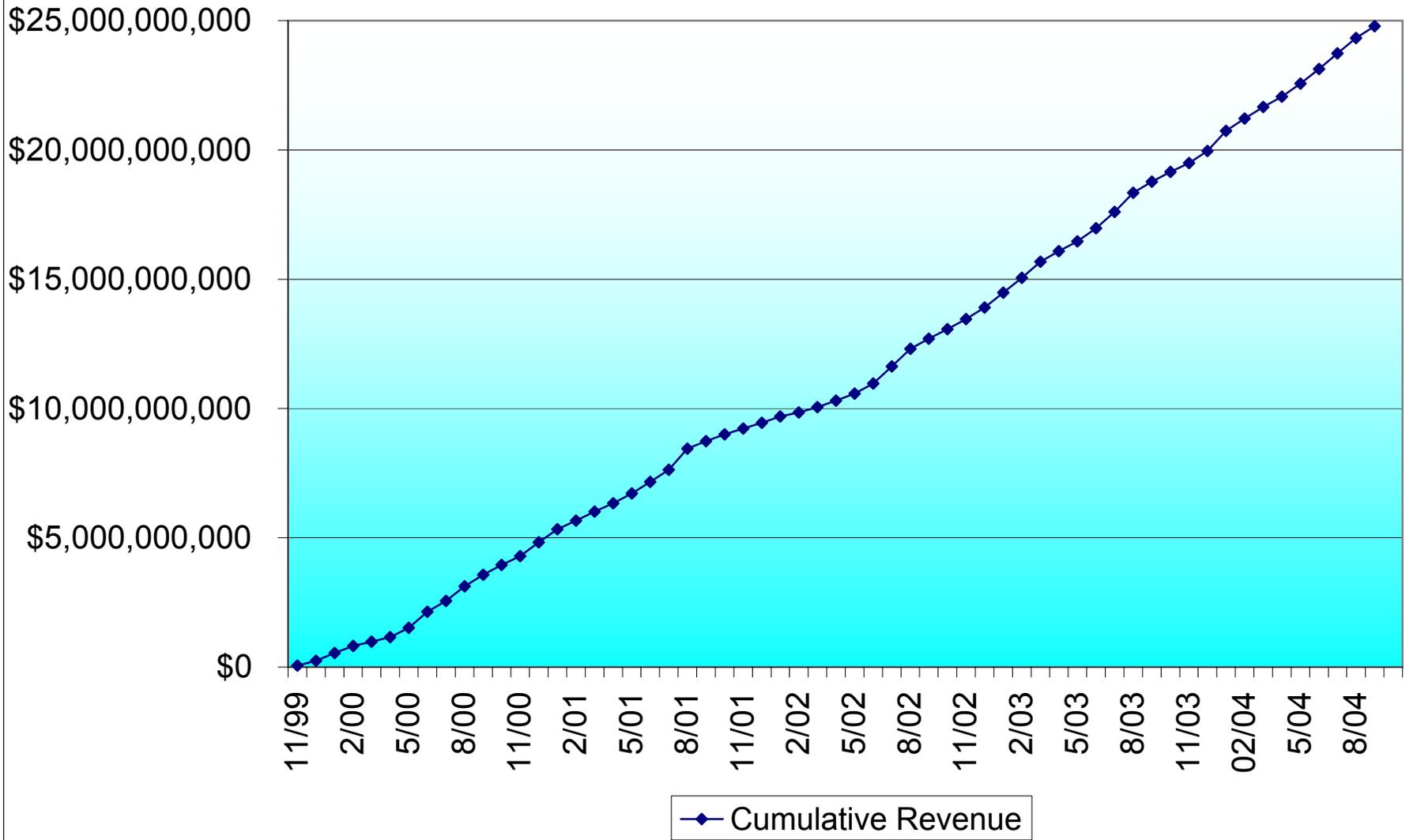


2004 BUDGET VS. ACTUAL VARIANCES

(dollar amounts in thousands)

	<u>YTD through September 2004</u>			
	<u>Budget</u>	<u>Actuals</u>	<u>\$ Var.</u>	<u>% Var.</u>
Capital Assets	\$ 13,616	\$ 7,780	\$ (5,836)	-43%
Salaries & Benefits	32,877	30,873	(2,004)	-6%
Consultants	18,875	17,874	(1,001)	-5%
Legal	4,500	4,463	(37)	-1%
Building Services	2,635	2,928	293	11%
Computer Services	16,951	22,882	5,931	35%
Insurance	5,785	4,915	(870)	-15%
Telecommunications	2,156	3,378	1,222	57%
Board of Directors	694	608	(86)	-12%
Meetings, Travel, Training	2,177	1,921	(256)	-12%
NPCC Fees	1,144	1,130	(14)	-1%
FERC Fees	6,000	3,984	(2,016)	-34%
Debt Service & Bank Fees	<u>20,364</u>	<u>19,577</u>	<u>(787)</u>	<u>-4%</u>
TOTAL BUDGET SPENDING	\$ <u>127,773</u>	\$ <u>122,313</u>	\$ <u>(5,460)</u>	<u>-4%</u>
Less: Miscellaneous Revenues	(799)	(790)	8	-1%
Less: Net Proceeds from Bank Financing	(31,000)	(31,000)	0	0%
Plus: Interest on 2004 Bank Financing	<u>646</u>	<u>208</u>	<u>(438)</u>	<u>68%</u>
EQUALS: Funds Needed via RS#1	\$ <u>96,620</u>	\$ <u>90,730</u>	\$ <u>(5,889)</u>	<u>-6%</u>
COMPARED TO: Funds Received via RS#1			(1,598)	
EQUALS: Total Due (to)/from Market Participants			\$ <u>(7,488)</u>	

Cumulative Gross Revenue of all Monthly Components



**NYISO
MARKET PARTICIPANT ENERGY BILLINGS
SUMMARY OF NET RECEIVABLES**

****RECEIVABLES****

	ORIGINAL INVOICE	4 MO TU	12 MO TU	24 MO TU	REBILL	Final Bill Challenge	TU TOTAL	% OF TU		
Nov-99	\$ 41,914,277	\$ -	\$ 4,601,583	11%	\$ 1,653,001	4%	\$ 435,491	1%	\$ 6,690,076	16%
Dec-99	\$ 133,158,638	\$ -	\$ 9,535,988	7%	\$ 1,707,927	1%	\$ 3,510,999	3%	\$ 14,754,914	11%
Jan-00	\$ 217,994,281	\$ -	\$ 13,514,891	6%	\$ 6,139,030	3%	\$ 3,934,882	2%	\$ 23,588,803	11%
Feb-00	\$ 186,799,918	\$ -	\$ 13,029,978	7%	\$ 1,518,328	1%	\$ 3,133,700	2%	\$ 17,682,007	9%
Mar-00	\$ 124,028,665	\$ -	\$ -	0%	\$ 889,309	1%	\$ 24,987,775		\$ 25,877,084	21%
Apr-00	\$ 135,512,224	\$ -	\$ -	0%	\$ 1,287,032	1%			\$ 1,287,032	1%
May-00	\$ 222,997,916	\$ -	\$ 19,374,704	9%	\$ 7,788,534	3%			\$ 27,163,238	12%
Jun-00	\$ 415,492,540	\$ -	\$ 27,121,792	7%	\$ 12,457,711	3%			\$ 39,579,503	10%
Jul-00	\$ 252,252,351	\$ -	\$ 19,489,697	8%	\$ 2,724,735	1%			\$ 22,214,432	9%
Aug-00	\$ 361,947,692	\$ -	\$ 35,775,647	10%	\$ 5,508,600	2%			\$ 41,284,247	11%
Sep-00	\$ 319,094,875	\$ -	\$ 31,071,138	10%	\$ 6,605,678	2%			\$ 37,676,816	12%
Oct-00	\$ 274,787,453	\$ 15,496,075	\$ 3,205,891	1%	\$ 3,745,905	1%			\$ 22,447,871	8%
Nov-00	\$ 256,009,720	\$ 16,262,668	\$ 2,052,169	1%	\$ 1,784,229	1%			\$ 20,099,066	8%
Dec-00	\$ 396,610,564	\$ 19,537,029	\$ 4,026,996	1%	\$ 4,066,092	1%			\$ 27,630,117	7%
Jan-01	\$ 344,295,355	\$ 12,571,017	\$ 2,521,671	4%	\$ 1,474,285	0%			\$ 16,566,973	5%
Feb-01	\$ 234,382,099	\$ 9,148,844	\$ 1,699,302	1%	\$ 1,263,189	1%			\$ 12,111,335	5%
Mar-01	\$ 245,443,896	\$ 9,390,961	\$ 1,698,249	1%	\$ 743,656	0%	\$ 796,426	0%	\$ 12,629,292	5%
Apr-01	\$ 231,563,601	\$ 11,382,682	\$ 2,133,766	1%	\$ 890,456	0%	\$ 658,768	0%	\$ 15,065,671	7%
May-01	\$ 258,524,171	\$ 16,241,860	\$ 9,994,318	4%	\$ 1,825,702	1%	\$ 1,368,697	1%	\$ 29,430,577	11%
Jun-01	\$ 295,777,209	\$ 15,607,316	\$ 4,491,251	2%	\$ 1,542,666	1%	\$ 1,187,881	0%	\$ 22,829,115	8%
Jul-01	\$ 331,328,591	\$ 12,637,804	\$ 1,772,024	1%	\$ 1,625,857	0%	\$ 1,603,042	0%	\$ 17,638,727	5%
Aug-01	\$ 569,513,449	\$ 15,344,918	\$ 3,305,630	1%	\$ 4,545,234	1%	\$ 4,801,994	1%	\$ 27,997,775	5%
Sep-01	\$ 193,119,838	\$ 6,492,345	\$ 1,089,635	1%	\$ 2,225,022	1%	\$ 689,003	0%	\$ 10,496,005	5%
Oct-01	\$ 167,598,022	\$ 7,307,617	\$ 1,514,234	1%	\$ 5,582,048	3%			\$ 14,403,899	9%
Nov-01	\$ 152,726,458	\$ 5,896,866	\$ 1,932,100	1%	\$ 891,443	1%			\$ 8,720,410	6%
Dec-01	\$ 162,617,275	\$ 4,249,430	\$ 995,912	1%	\$ 1,795,660	1%			\$ 7,041,002	4%
Jan-02	\$ 169,114,538	\$ 4,603,989	\$ 1,328,924	1%	\$ 999,869	1%			\$ 6,932,782	4%
Feb-02	\$ 128,174,423	\$ 4,949,637	\$ 988,313	1%	\$ 760,711	1%			\$ 6,698,661	5%
Mar-02	\$ 173,757,055	\$ 7,871,772	\$ 1,361,075	1%	\$ 1,070,136	1%	\$ 591,897	0%	\$ 10,894,880	6%
Apr-02	\$ 227,372,883	\$ 8,763,681	\$ 799,348	0%	\$ 1,412,591	1%	\$ 3,012,033	1%	\$ 13,987,653	6%
May-02	\$ 193,153,839	\$ 4,859,821	\$ 1,976,821	1%	\$ 1,470,091	1%			\$ 8,306,733	4%
Jun-02	\$ 243,510,171	\$ 10,447,096	\$ 2,158,556	1%	\$ 1,668,758	1%			\$ 14,274,410	6%
Jul-02	\$ 423,363,985	\$ 14,296,715	\$ 3,381,899	1%	\$ 2,954,088	1%			\$ 20,632,701	5%
Aug-02	\$ 417,275,164	\$ 10,037,896	\$ 2,592,885	1%	\$ 2,379,757	1%			\$ 15,010,539	4%
Sep-02	\$ 254,643,037	\$ 8,336,608	\$ 3,209,330	1%	\$ 634,667	0%			\$ 12,180,605	5%
Oct-02	\$ 259,006,539	\$ 5,948,283	\$ 2,087,459	1%			\$ 2,139,799	1%	\$ 10,175,540	4%
Nov-02	\$ 253,526,260	\$ 5,452,407	\$ 1,839,940	1%			\$ 2,351,205	1%	\$ 9,643,551	4%
Dec-02	\$ 299,517,867	\$ 8,205,366	\$ 1,386,782	0%			\$ 2,029,395	1%	\$ 11,621,543	4%
Jan-03	\$ 399,263,104	\$ 9,844,614	\$ 2,098,338	1%			\$ 1,191,493	0%	\$ 13,134,445	3%
Feb-03	\$ 418,175,564	\$ 11,981,141	\$ 2,458,047	1%			\$ 1,187,456	0%	\$ 15,626,644	4%
Mar-03	\$ 426,467,140	\$ 9,873,309	\$ 1,267,254	0%			\$ 1,773,369	0%	\$ 12,913,933	3%
Apr-03	\$ 288,946,161	\$ 7,395,252	\$ 1,494,349	1%					\$ 8,889,601	3%
May-03	\$ 248,638,313	\$ 5,874,403	\$ 1,274,495	1%					\$ 7,148,897	3%
Jun-03	\$ 300,747,684	\$ 7,396,478	\$ 1,361,206	0%					\$ 8,757,684	3%
Jul-03	\$ 418,581,237	\$ 13,132,010	\$ 2,180,703	1%					\$ 15,312,713	4%
Aug-03	\$ 514,126,607	\$ 13,977,562	\$ 5,647,468	1%					\$ 19,625,030	4%
Sep-03	\$ 283,123,546	\$ 6,445,812	\$ 2,557,996	1%					\$ 9,003,809	3%
Oct-03	\$ 245,463,938	\$ 5,837,631							\$ 5,837,631	2%
Nov-03	\$ 216,846,601	\$ 9,096,310							\$ 9,096,310	4%
Dec-03	\$ 287,418,382	\$ 11,239,879							\$ 11,239,879	4%
Jan-04	\$ 505,153,722	\$ 27,322,738							\$ 27,322,738	5%
Feb-04	\$ 312,550,760	\$ 13,321,219							\$ 13,321,219	4%
Mar-04	\$ 300,111,357	\$ 8,890,522							\$ 8,890,522	3%
Apr-04	\$ 275,622,576	\$ 8,934,404							\$ 8,934,404	3%
May-04	\$ 325,883,910	\$ 16,064,781							\$ 16,064,781	5%
SUBTOTAL	\$ 15,335,027,441	\$ 457,968,767	\$ 259,399,754	\$ 95,631,994	\$ 50,370,235				\$ 874,385,827	6%
Jun-04	\$ 352,125,882									
Jul-04	\$ 381,996,419									
Aug-04	\$ 376,111,219									
Sep-04	\$ 308,607,881									
GRAND TOTAL	\$ 16,753,868,842	\$ 457,968,767	\$ 259,399,754	\$ 95,631,994	\$ 50,370,235				\$ 874,385,827	5%

**24 month True ups for May 2000 & June 2000 were fairly high due to significant adjustments to two customers' congestion rent. (\$5M in May 2000 & \$11M in June 2000)

**NYISO
MARKET PARTICIPANT ENERGY BILLINGS
SUMMARY OF NET PAYABLES**

****PAYABLES****

	ORIGINAL INVOICE	4 MO TU	12 MO TU	24 MO TU	REBILL	Final Bill Challenge	TU TOTAL	% OF TU			
Nov-99	\$ 35,518,827	\$ -	\$ 4,367,509	12% \$ 1,679,571	5%	\$ 490,908.55	1% \$ 7,385,458	21%			
Dec-99	\$ 102,079,272	\$ -	\$ 8,340,216	8% \$ 1,696,026	2%	\$ 3,616,444.38	4% \$ 22,876,134	22%			
Jan-00	\$ 183,037,026	\$ -	\$ 12,925,858	7% \$ 6,158,187	3%	\$ 3,940,531.33	2% \$ 32,697,224	18%			
Feb-00	\$ 185,282,663	\$ -	\$ 12,448,203	7% \$ 1,547,338	1%	\$ 3,133,334.38	2% \$ 25,036,185	14%			
Mar-00	\$ 122,503,213	\$ -	\$ -	0% \$ 1,160,468	1%	\$ 25,013,672	\$ 31,123,571	25%			
Apr-00	\$ 124,848,119	\$ -	\$ 9,564,586	8% \$ 1,593,548	1%		\$ 11,158,134	9%			
May-00	\$ 232,582,089	\$ -	\$ 18,902,475	8% \$ 7,780,529	3%		\$ 26,683,004	11%			
Jun-00	\$ 406,914,315	\$ -	\$ 26,020,673	6% \$ 12,146,262	3%		\$ 38,166,935	9%			
Jul-00	\$ 243,016,054	\$ -	\$ 18,485,919	8% \$ 2,720,323	1%		\$ 21,206,242	9%			
Aug-00	\$ 361,347,651	\$ -	\$ 35,133,640	10% \$ 5,522,743	2%		\$ 40,656,383	11%			
Sep-00	\$ 294,082,367	\$ -	\$ 30,486,502	10% \$ 6,594,252	2%		\$ 37,080,754	13%			
Oct-00	\$ 266,390,264	\$ -	\$ 2,714,042	1% \$ 3,747,010	1%		\$ 21,819,570	8%			
Nov-00	\$ 246,642,946	\$ -	\$ 1,641,605	1% \$ 1,788,082	1%		\$ 15,630,189	6%			
Dec-00	\$ 385,457,152	\$ -	\$ 3,608,151	1% \$ 4,070,768	1%		\$ 27,238,727	7%			
Jan-01	\$ 334,775,998	\$ 12,164,291	4% \$ 2,555,817	1% \$ 1,505,088	0%		\$ 20,149,851	6%			
Feb-01	\$ 227,544,273	\$ 8,654,168	4% \$ 1,776,808	1% \$ 1,256,091	1%		\$ 14,800,320	7%			
Mar-01	\$ 234,105,528	\$ 7,955,548	3% \$ 1,720,487	1% \$ 748,584	0%	\$ 796,715	0%	\$ 14,489,543	6%		
Apr-01	\$ 223,148,288	\$ 11,261,833	5% \$ 2,545,748	1% \$ 891,614	0%	\$ 658,557	0%	\$ 15,357,752	7%		
May-01	\$ 250,351,122	\$ 16,266,662	6% \$ 10,011,715	4% \$ 1,839,840	1%	\$ 1,380,341	1%	\$ 29,498,559	12%		
Jun-01	\$ 283,165,040	\$ 15,595,541	6% \$ 4,128,716	1% \$ 1,542,154	1%	\$ 1,311,283	0%	\$ 22,577,694	8%		
Jul-01	\$ 319,423,484	\$ 13,300,599	4% \$ 2,091,582	1% \$ 1,642,515	1%	\$ 1,592,304	0%	\$ 18,627,000	6%		
Aug-01	\$ 554,917,297	\$ 15,292,776	3% \$ 3,690,366	1% \$ 4,308,889	1%	\$ 4,797,469	1%	\$ 28,089,500	5%		
Sep-01	\$ 182,063,076	\$ 6,493,353	4% \$ 1,429,526	1% \$ 2,218,595	1%	\$ 688,997	0%	\$ 10,830,471	6%		
Oct-01	\$ 157,220,616	\$ 7,283,603	5% \$ 1,830,221	1% \$ 2,087,459	1%		\$ 11,201,283	7%			
Nov-01	\$ 143,420,554	\$ 5,970,571	4% \$ 1,932,886	1% \$ 870,293	1%		\$ 8,773,751	6%			
Dec-01	\$ 154,098,810	\$ 4,286,144	3% \$ 999,872	1% \$ 1,765,734	1%		\$ 7,051,750	5%			
Jan-02	\$ 160,819,725	\$ 4,626,721	3% \$ 1,299,584	1% \$ 1,005,172	1%		\$ 6,931,478	4%			
Feb-02	\$ 120,848,588	\$ 4,931,677	4% \$ 989,372	1% \$ 743,028	1%		\$ 6,664,077	6%			
Mar-02	\$ 165,725,539	\$ 7,827,174	5% \$ 1,411,595	1% \$ 1,045,083	1%	\$ 592,554	0%	\$ 10,876,406	7%		
Apr-02	\$ 222,151,382	\$ 8,779,909	4% \$ 832,067	0% \$ 1,398,781	1%	\$ 2,982,051	1%	\$ 13,992,808	6%		
May-02	\$ 183,815,292	\$ 4,546,883	2% \$ 1,976,201	1% \$ 1,460,993	1%		\$ 7,984,076	4%			
Jun-02	\$ 246,221,592	\$ 10,434,484	4% \$ 2,155,248	1% \$ 1,657,710	1%		\$ 14,247,443	6%			
Jul-02	\$ 409,240,558	\$ 14,528,756	4% \$ 3,375,870	1% \$ 2,925,935	1%		\$ 20,830,561	5%			
Aug-02	\$ 404,158,825	\$ 10,211,707	3% \$ 2,426,894	1% \$ 2,366,605	1%		\$ 15,005,205	4%			
Sep-02	\$ 243,973,745	\$ 8,363,796	3% \$ 3,174,497	1% \$ 639,930	0%		\$ 12,178,222	5%			
Oct-02	\$ 248,659,897	\$ 5,971,255	2% \$ 1,740,455	1%		\$ 2,130,811	1%	\$ 9,842,521	4%		
Nov-02	\$ 243,580,981	\$ 5,477,164	2% \$ 1,818,673	1%		\$ 2,336,086	1%	\$ 9,631,923	4%		
Dec-02	\$ 288,570,651	\$ 8,221,256	3% \$ 1,368,392	0%		\$ 2,029,091	1%	\$ 11,618,739	4%		
Jan-03	\$ 386,692,211	\$ 9,867,267	3% \$ 2,071,685	1%		\$ 1,195,113	0%	\$ 13,134,066	3%		
Feb-03	\$ 407,240,054	\$ 12,015,097	3% \$ 2,443,568	1%		\$ 1,185,813	0%	\$ 15,644,478	4%		
Mar-03	\$ 415,026,752	\$ 9,888,707	2% \$ 1,259,304	0%		\$ 1,773,369	0%	\$ 12,921,381	3%		
Apr-03	\$ 278,826,241	\$ 7,393,788	3% \$ 1,500,815	1%			\$ 8,894,603	3%			
May-03	\$ 238,359,528	\$ 5,856,019	2% \$ 1,306,262	1%			\$ 7,162,280	3%			
Jun-03	\$ 289,166,413	\$ 7,355,535	3% \$ 1,414,076	0%			\$ 8,769,611	3%			
Jul-03	\$ 404,807,368	\$ 13,029,763	3% \$ 2,317,535	1%			\$ 15,347,298	4%			
Aug-03	\$ 494,075,742	\$ 14,065,141	3% \$ 5,660,852	1%			\$ 19,725,993	4%			
Sep-03	\$ 271,779,605	\$ 6,246,294	2% \$ 2,794,469	1%			\$ 9,040,763	3%			
Oct-03	\$ 234,334,309	\$ 5,816,672	2%				\$ 5,816,672	2%			
Nov-03	\$ 206,281,555	\$ 9,061,998	4%				\$ 9,061,998	4%			
Dec-03	\$ 275,110,914	\$ 11,168,245	4%				\$ 11,168,245	4%			
Jan-04	\$ 491,534,651	\$ 27,111,865	6%				\$ 27,111,865	6%			
Feb-04	\$ 300,622,192	\$ 13,327,763	4%				\$ 13,327,763	4%			
Mar-04	\$ 287,880,497	\$ 8,899,159	3%				\$ 8,899,159	3%			
Apr-04	\$ 264,840,195	\$ 8,937,893	3%				\$ 8,937,893	3%			
May-04	\$ 313,585,273	\$ 16,100,585	5%				\$ 16,100,585	5%			
SUBTOTAL	\$ 14,751,866,319	\$ 404,587,663	3%	\$ 262,690,535	2%	\$ 92,125,202	1%	\$ 50,464,227	0%	\$ 911,074,098	6%
Jun-04	\$ 338,972,977										
Jul-04	\$ 367,658,032										
Aug-04	\$ 362,031,970										
Sep-04	\$ 296,158,297										
GRAND TOTAL	\$ 16,116,687,595	\$ 404,587,663		\$ 262,690,535		\$ 92,125,202		\$ 50,464,227		\$ 911,074,098	

NYISO Projects Portfolio Status Report September 2004

This report provides the current status of projects prioritized by the Project Prioritization Team (PPT). Please refer to the accompanying Projects Portfolio (Gantt chart) for the latest scheduling and deployment information. This information is updated monthly in preparation for the scheduled PPT meetings.

Priority Projects

A725 2004 SAS 70 Type 2 Audit

- KPMG auditing NYISO Bid-to-Bill process – progress continues.
- Audit scope period ends November 30.
- Designated as “exempt” priority meaning that resources are made available when and as needed to support the audit.

A573 SMD 2.0 Internal NYISO System Implementation

- MIS interfaces are in Phase E – Project System Operation/Functional Test Phase.
- BAS re-bills are in Phase E – Project System Operation/Functional Test Phase.
- MIS rules changes are in Phase E – Project System Operation/Functional Test Phase.
- BAS rules changes are in Phase E – Project System Operation/Functional Test Phase.
- Upload/Download is in Phase E – Project System Operation/Functional Test Phase.
- Bid Post is in Phase E – Project System Operation/Functional Test Phase.
- The PTS replacement is in Phase E – Project System Operation/Functional Test Phase.
- Price Verification is in Phase E – Project System Operation/Functional Test Phase.
- MMRD Replacement is in Phase E – Project System Operation/Functional Test Phase.
- Probe support is in Phase E – Project System Operation/Functional Test Phase.
- The new Load Forecaster is in Phase E – Project System Operation/Functional Test Phase.

A574 SMD 2.0 ABB System Implementation Support

- The SMD2 project team conducted a Market Simulation exercise that involved the recreation of a Day-Ahead and Real-Time market using data from a historic day, but conducted under SMD2 rules using SMD2 software. The bids, offers, outage schedules, load forecasts, and other market data from June 17, 2004 were translated into SMD2 formats by the NYISO team in preparation for the event. Market Participants were not permitted to alter the data, but were invited to review the results and monitor the progress of the simulation. The results of the Day-Ahead market were compared to those results achieved on the subject day, with all differences being explainable through SMD2 rule changes or data translation decisions.
- Each NYISO department has produced a departmental readiness checklist that is supported by a project plan to achieve it. These departmental plans have been incorporated into the overall SMD2 project plan in order to identify any dependencies that may exist between the schedules. The details of these efforts are reviewed daily and updated weekly.

NYISO Projects Portfolio Status Report September 2004

- A detailed deployment plan is under development in order to ensure an orderly cut-over to the SMD2 software. The plan includes a period of parallel operation between the SMD2 and legacy systems both before and after the transition to the new market software. The period before the cut-over is required to perform final validation between the two (2) systems; the period following the cut-over is necessary to maximize the opportunity to fail-back in the event of a serious problem.
- The SMD2 project plan has been updated to target a December 1 cut-over to the new system. Each internal department is targeting October 15th as the readiness target, in order to accommodate the infrastructure reconfiguration work that is required to prepare the systems and database for conversion.

A697 Auto Sys Replacement

- The Market Monitoring Group signed off on User Acceptance Testing.
- Energies are focused on assisting the Billing Group in their completion of UAT.
- Customized Control M training for the Operators has been scheduled and will take place November 8-9.
- The project team continues to work with the SMD2 project teams in the coordination of testing as well as the creation of a formal deployment plan.

A696 SMD-DAC

- Efforts continue for the remainder of Mapboard Point-to-Point testing.
- Approximately 124 hours of testing remain.
- Analog calibration testing is 95% complete.
- Training for post deployment support is being coordinated and performed.
- The project team continues to work with the SMD2 teams in the coordination of testing as well as the creation of a formal deployment plan.

A667 Scarcity Pricing in SMD

- This project is required for performing Scarcity Pricing calculations in SMD2.
- Coding / unit test complete.
- Code will be deployed to the PQA1 test environment subsequent to SMD testing.

A710 SMD Web Environment

- SMD2's BidPost application (marketplace.nyiso.com) is successfully supporting current Market Trail activities from a clustered environment.
- OASIS postings of generator-weighted (or hub-weighted) LBMPs for DAM and RT markets have been completed and deployed to the Market Trial environment. Requirements and detailed design of new postings of TSC details, summary and NTAC rates have been confirmed, and the postings are in Phase D development.
- SMD2's Control Room Logging application has completed Phase E QA testing activities, and will be deployed to the SMD2 production environment.

NYISO Projects Portfolio Status Report September 2004

A709 Reserve Pickup Reporting

- Project is currently in Phase E - System Operational / Functional Test.
- Awaiting PTS data and backfill refresh for UAT.
- Scheduled deployment with SMD.

A577 SMD2 Integration

- The EAI interfaces supporting the Price Verification, Load Forecast, preMGF and DA Operating Plan processes continue to support the ongoing Market Trial exercises without issues.
- Phase E tests of failover capabilities identified necessary configuration changes for SMD2's new Network Attached Storage (NAS) facility. The new configurations will be retested this month.
- The EAI monitoring solution has entered Phase E; various components that will enhance the reliability of all NYISO's EAI solutions are being deployed to the QA environments for testing.

A729 MIS / BAS Cluster and Site Failover

- Failover includes hardware mirror for MIS/LF & BAS/HIST, DataGuard for MIS/LF & Oracle
- Forms failover.
- All Production and QA systems configured for dataguard.
- Failover / Switchover testing in progress.

A690 Grouped Units

- QA Testing in Legacy Environment Complete.
- Legacy deployment cancelled.
- Testing in progress in SMD environment.

A600 Open Billing Issues

- The Billing Issues Group (BIG), chaired by the CFO, is responsible for resolving all identified billing issues. The A600 project was established to ensure timely action on internal billing issues (not including external items such as bad or missing metering data). Incentive Goal 7 tracks performance on the timely correction of these internal billing issues. The table below shows the total number of open billing issues coincident with the last BIG meeting, the meeting a month prior and the meeting six-months prior.

NYISO Projects Portfolio
Status Report
September 2004

A600 – Open Billing Issues Status			
Number of Open Issues Needing Work	9/29/2004	9/1/2004	3/31/2004
Total Goal 7 Issues	3	4	0
Total Non-Goal 7 Issues	5	5	4
Total Issues	8	9	4

* Note – the table structure and layout have changed to reflect the BIG committee review process.
(Source Billing Issues Group weekly report)

A630 Automate Voltage Support Billing Calculation

- Project is in Phase B – Requirements Development however, the ability to move forward with the project is dependent upon the availability of resources.

A687 Automate Local Black Start Calculation

- Project is delayed pending availability of resources

A636 85/15 Schedule 1 Split - Phase 1

- This project has been placed on hold pending the availability of resources.
- Customer Settlements will continue to calculate this component of customer bills manually until a software solution is made available.

A689 Store Intermediate Billing Calculation Data

- The project is currently on hold.

A676 Automate DAM Congestion Shortfall Calculation

- Automation of the billing process is delayed pending availability of resources.

A619 Controllable Tie Lines Scheduling & Pricing

- Analysis, prototypes and preparation of detailed requirements are in progress.
- Design phase schedule to complete on Dec. 1.

A707 Process to Enhance the Settlement Cycle

- Project requirements are currently being defined.

A675 Billing Simulator

- Forty-two of the forty-five use cases have been coded and are being tested in the Stabilization / QA environment. Three remaining use cases have issues that preclude their inclusion in this phase.
- Daylight Savings time fix has been delivered and is undergoing testing in QA. Performance fix is being tested in Dev that appears to yield acceptable results, likely will push to QA today.
- Focusing on Oracle tuning in QA.

NYISO Projects Portfolio Status Report September 2004

A708 Consolidate NYISO Offices

- The development of a detailed layout (Phase II Lamb Report) is complete.
- Additional options and cost analysis (i.e. Integrated Facility vs. PCC only vs. ACC only) have been evaluated and presented to both the BSP and Management Committee. The feedback from the BSP and MC was communicated to the Board of Directors.
- A decision on which building option the NYISO will proceed with is expected in the October/November timeframe.
- The responses to an ISO questionnaire, that was sent to all the ISOs concerning infrastructure and security issue, have been received. A summary of the questionnaire has been produced and was sent back to the participating ISO/RTOs.

A724 PCC Modifications – Security

- The Phase III work (outer perimeter security) has been approved.
- A new Digital Messaging System (Target Vision) has been purchased.
- Phase II work (Guard House and Lobby) is scheduled for completion the second week of October.
- There was a delay in the delivery of the bulletproof glass due to Hurricane Ivan.

A734 Guard Deployment – 24 x 7

- Security stations have been set up at all four NYSIO facilities.
- The new security system (Diamond II) has been configured and rolled out to Wolf, Annex and Washington Ave. offices.
- Guards have been deployed at all facilities.
- The security system will be rolled out to the PCC upon completion of the Guard House.

A737 Migration to New Facility

- Advisory committees have been identified to break down the work of the migration and develop a detailed plan.
- Work has been put on hold pending the decision/priority of where the new facility will be located.

A739 Capital Improvements at PCC in Guilderland

- A preliminary report has been written identifying possible modifications to be made.

A649 Oracle Financials 9i Upgrade

- This project includes upgrading the Oracle Financials application to 11i, upgrading the database to 9i, and moving application & data to new hardware.
- Approval received for proceeding with the project, targeting Q1 2005 production implementation.
- Draft SOW received from Solution Beacon.

NYISO Projects Portfolio Status Report September 2004

A732 Oracle Forms Upgrade to 6i

- FRS approved.
- Legacy / SMD2 Forms 6i server upgrade completed.
- Launchpad Upgrade currently being deployed to NYISO.

A658 Facilitated Checkout

- ISO-NE checkout service deployed to production in late May (now available for NYISO production use).
- ISO-NE now using NYISO checkout service in production checkout application with excellent reviews.
- IMO and HQ plan to have checkout service in production by mid-July.
- Project team working with NYISO Operations to identify a convenient time to deploy Facilitated Checkout display to the NYISO control room (possibly June or July timeframe).

A543 UCAP Market Automation

- Development completed.
- Integration testing in progress.
- UAT by Resource Reliability in progress.

A541 TCC Online Auction Automation

- Project to resume after TCC audit.

A706 Intra-Hour Transaction scheduling (aka VRD)

- Presentation made to MC in September describing the pilot effort.

A664 DSS Enhancements V

- Implemented changes to move outage window from 4:00-7:00 am to 2:00-5:00 am per BAWG's request. This is to support daily and hourly CSV files.
- Implemented changes to load data to staging area multiple times per day. This helps reduce processing time at day's end and is important to support final bills processing
- Evaluating impact of Business Objects 6i upgrade
- Continued SMD2 development and testing. Working with SMD2 team on having a single integrated testing environment. OOM and SRE tracks added as required tracks for SMD2. Provided daily/hourly CSV's structural changes to MPs
- Continued gathering requirements for Sign Convention

A699 MDEX Enhancements

- Enhanced graphics were rolled out in October.

A704 Dialogic Communicator Implementation

- Scope and project requirements/deliverables are not yet defined.

NYISO Projects Portfolio Status Report September 2004

A705 Inter-ISO Standards for Market Messages

- Scope and requirements have yet to be fully defined.

A740 Documentum - IT Implementation

- Testing was completed the week of Sept. 13.
- Knowledge transfer from contractors to NYISO resources was completed on Sept. 24.
- Documentum was deployed to SMD and CTS on Sept. 23.
- Remaining items to complete include migration of data to ESS storage and loading the SMD2 documents into the Documentum Database.

A703 SW Development Lifecycle Tools

- Bearing Point was contracted to perform an assessment of SW development lifecycle.

A701 New Technology Initiatives

- Scope and requirements have yet to be fully defined.

A657 OSS SMD2 Support (15-Minute Schedules and ICAP Prescheduling)

- Development complete. Targeted for integration with SMD SAT testing.
- Contingency plan under development to allow deployment to legacy base code in Spring 04.

A702 Enhanced Market Security

- Scope and requirements have yet to be fully defined.

2005

Project ID	Project Description	Priority	Next Deployment	Project Manager	Project Sponsor	Estim Level	Remaining Hours	2005									
								Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
1 -- Priority Projects																	
A725	2004 SAS 70 Type 2 Audit	Exempt		RUBIN	BUDD	N/A	N/A										
A573	SMD 2.0 Internal NYISO System Implementation	1	12/01/04	SMITH	CALIMANO & KING	2	6,412										
A574	SMD 2.0 ABB System Impementation Support	1	12/01/04	MILLS	CALIMANO & KING	2	13,424										
A697	AutoSys Replacement	1	Deploy w/ SMD	VETTER	FELL	3	874										
A696	SDAC Replacement	1	Deploy w/ SMD	VETTER	FELL	3	440										
A667	Scarcity Pricing in SMD	1	Deploy w/ SMD	RINALDI	KING	2	306										
A710	SMD Web Environment	1		MILLER	FELL	2	395										
A709	Reserve Pickup Reporting	1	Deploy w/ SMD	RINALDI	CALIMANO	3	744										
A577	SMD 2.0 Integration	1		MILLER	FELL	2	373										
A729	MIS / BAS Cluster and Site Failover	1	Deployed	RINALDI	FELL	3	0										
A690	Grouped Units	2	Deploy w/ SMD	RINALDI	DAVIS	2	208										
A600	Open Billing Issues	2		DUFFY	DAVIS	1	3,246										
A630	Automate the Voltage Support Service Corrections	2		JURCZYNSKI	DAVIS	N/A	N/A										
A687	Automate Local Black Start Calculation	2		JURCZYNSKI	DAVIS	N/A	N/A										
A636	85/15 Rate Schedule 1 Split - Phase 1	2		JURCZYNSKI	DAVIS	N/A	N/A										
A689	Store Intermediate Billing Calculation Data	2		JURCZYNSKI	DAVIS	N/A	N/A										
A676	Automate DAM Congestion Shortfall Calculation	2		JURCZYNSKI	DAVIS	N/A	N/A										
A619	Controllable Tie Lines Scheduling and Pricing	3		FITTS	CALIMANO	2	8,587										
A707	Process to Enhance the Settlement Cycle	4		JURCZYNSKI	DAVIS	N/A	N/A										
A675	Billing Simulator	5		PELUSO	FELL	1	1,303										
A708	New NYISO Facility	6		FARNEY	RAGOGNA	N/A	N/A										
A724	PCC Modifications - Security	6	10/06/04	FARNEY	RAGOGNA	2	203										
A734	Guard Deployment - 24 x 7	6	10/15/04	FARNEY	RAGOGNA	2	34										
A737	Migration to New Facility	6		FARNEY	RAGOGNA	N/A	N/A										
A739	Capital Improvements of PCC in Guilderland	6		FARNEY	RAGOGNA	N/A	N/A										

Legend
12-B
Estimate Level

- 1 - Class 100 Estimate Based on Concept of Operations
- 2 - Class 50 Estimate Based on Functional Requirements Specification
- 3 - Class 10 Estimate Based on Detailed Design
- * - Estimate Through Identified Deployments Only

 Duration Based Schedule 

 Resource Limited Schedule 

 Deployment Milestone 

 Estimated FRS Completion 

2005

Project ID	Project Description	Priority	Next Deployment	Project Manager	Project Sponsor	Estim Level	Remaining Hours	2005								
								Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
A649	Oracle Financials Upgrades	7		RINALDI	FELL	N/A	N/A									
A732	Oracle Forms Upgrade to 6i	8	10/08/04	RINALDI	FELL	3	24									
A658	Facilitated Checkout	9		MARTIN	FELL	2	3,681									
A543	UCAP Market Automation	10	03/01/05	FITTS	KING	3	3,603									
A541	TCC Online Auction Automation	11		FITTS	KING	N/A	N/A									
A706	Intra-Hours Transaction Scheduling (VRD)	12		VETTER	KING	N/A	N/A									
A664	DSS Market Monitoring Datamart I	13	11/15/04	LE	FELL	3	10,421									
A699	MDEX Enhancements	14		TBD	MURPHY	N/A	N/A									
A704	Dialogic Communicator Implementation	15		VETTER	KING	N/A	N/A									
A705	Inter-ISO Standards for Market Messages	16		PELUSO	FELL	N/A	N/A									
A740	Documentum - IT Implementation	17	Deployed	FARNEY	SANFORD	3	1,320									
A703	SW Development Lifecycle Tools	18		FITTS	FELL	N/A	N/A									
A701	New Technology Initiatives	19		PELUSO	FELL	N/A	N/A									
A657	OSS SMD Support (15-Min Schedules and ICAP Prescheduling)	20		PELUSO	FELL	2	479									
A702	Enhanced Market Security	21		FITTS	FELL	N/A	N/A									

Legend	12-B	Estimate Level	Duration Based Schedule 
		1 - Class 100 Estimate Based on Concept of Operations	Resource Limited Schedule 
		2 - Class 50 Estimate Based on Functional Requirements Specification	Deployment Milestone 
		3 - Class 10 Estimate Based on Detailed Design	Estimated FRS Completion 
		* - Estimate Through Identified Deployments Only	

2005

Project ID	Project Description	Priority	Next Deployment	Project Manager	Project Sponsor	Estim Level	Remaining Hours	2005									
								Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
2 -- Studies & Training																	
A680	Annual (2003) New York Area Transmission Review	1		COREY	BROWN	2	N/A										
A037	NYISO/TO Baseline Plan Study - 2001	2		COREY	BROWN	2	N/A										
A591	Calpine (was SkyGen) Waterford	3	11/02/04	COREY	BROWN	2	N/A										
A208	NYSEG Solutions So. Glens Falls Expansion (Reimbursable)	4		COREY	BROWN	2	N/A										
A679	SIS for Liberty Proposed Transmission Expansion	5	04/17/05	COREY	BROWN	2	N/A										
A682	NYISO Transmission Planning Process	6	01/28/05	COREY	BROWN	2	N/A										
A692	NYISO-NYSERDA Wind Generation Integration Study	7	01/06/05	COREY	BROWN	2	N/A										
A726	SRIS for the East Coast Power Linden Gen Expansion Project	8	05/31/05	COREY	BROWN	2	N/A										
A727	SRIS for the East Coast Power Linden VFT Inter-Tie Project	9	05/31/05	COREY	BROWN	2	N/A										
A742	SRIS - NM-NGrid Leeds-Pleasant Vly Prj.(Reimbursable)	10	01/03/05	COREY	BROWN	2	N/A										
A744	SRIS for the Invenergy High Sheldon Windfarm Project	11	01/03/05	COREY	BROWN	2	N/A										
A745	SRIS for the Summer 2004 Mobile Gen. (Reimbursable)	12	01/03/05	COREY	BROWN	2	N/A										
A746	SRIS for the ConEd Mott Haven Subst. (Reimbursable)	13	01/03/05	COREY	BROWN	2	N/A										
A750	Interconnection Request/Invenergy Canisteo Hills [NEW]	14		COREY	BROWN		N/A										
A621	Restoration Sensitivity Studies	N/A		WALDELE	CALIMANO	N/A	N/A										
A645	Operations Reactive Study	N/A		WALDELE	CALIMANO	N/A	N/A										
A672	Quebec - New York Interconnection Limit Analysis	N/A		WALDELE	CALIMANO	N/A	N/A										
A673	Athens Generation In-Service Operating Study	N/A		WALDELE	CALIMANO	N/A	N/A										

Legend
12-B
Estimate Level

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 Duration Based Schedule 

 Resource Limited Schedule 

 Deployment Milestone 

 Estimated FRS Completion 