

Market Operations Report

Business Issues Committee
July 21, 2004

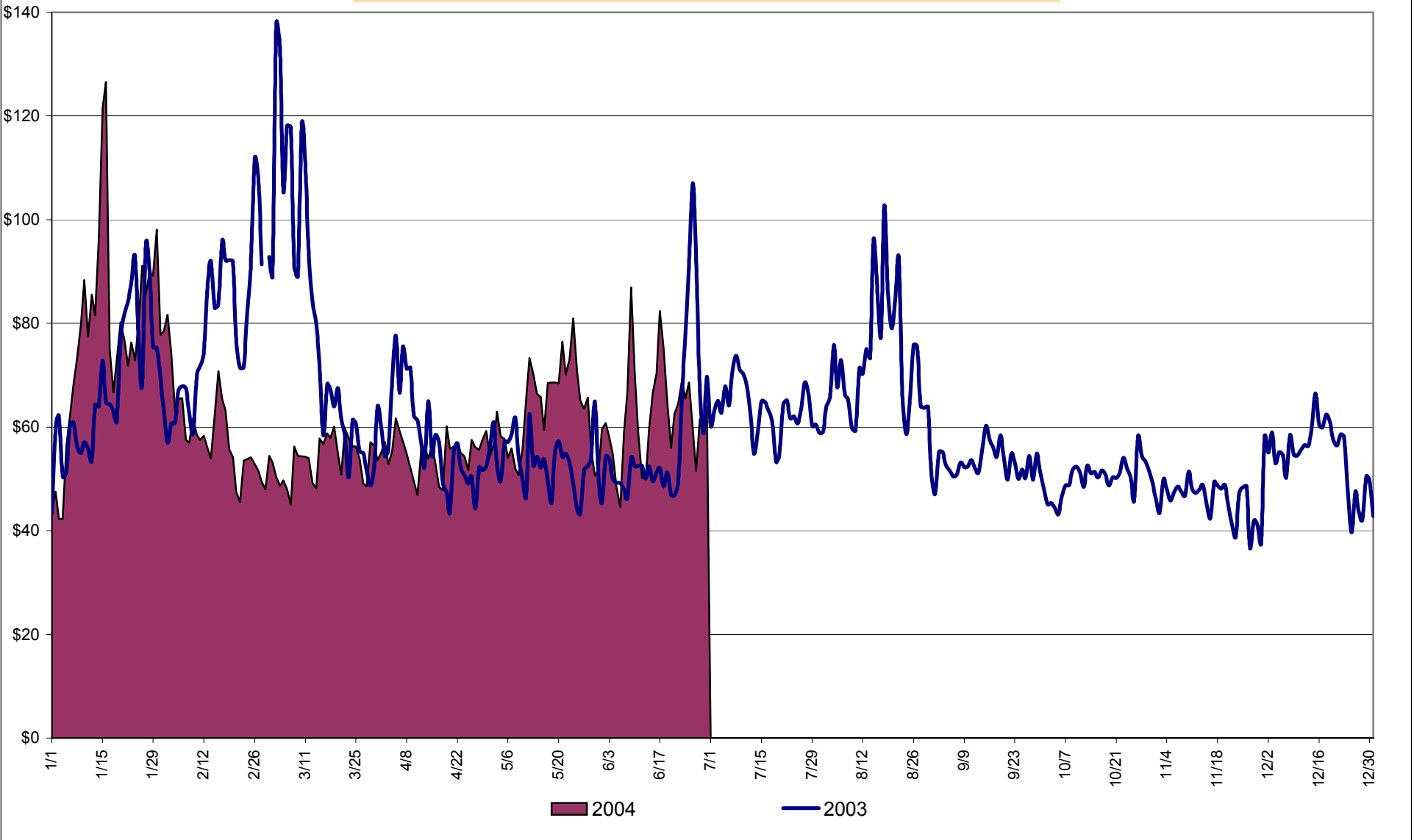
Report Items

- Market Performance Highlights
- Persistent Dragging Update

Market Performance Highlights for June, 2004

- Monthly Average Cost has remained almost the same over last month (\$63.96 in June 2004, \$63.92 in May 2004) despite higher load thanks to slightly lower fuel prices (Fuel prices continue to be higher than in 2003)
- Real time uplift increased somewhat in June. The increase is attributed to additional congestion charges associated with thunderstorm alerts which occur only in the real- time market.
- The percent of DAM committed unit-hours mitigated in NYC continues to be low following the DAM Mitigation software change deployed on May 1. (8% for June 2004). The Real Time percent of committed unit-hours mitigated in NYC increased (from 21% in May to 27% in June).
- The percentage of intervals corrected declined from 1.87% in May to 1.11% in June. The percent of hours reserved has declined to 10.42% in June.

Daily NYISO Average Cost/MWH (Energy & Ancillary Services)*
2003 Annual Average \$62.40/MWH
June 2003 YTD Average \$67.47/MWH
June 2004 YTD Average \$63.29/MWH



4-A

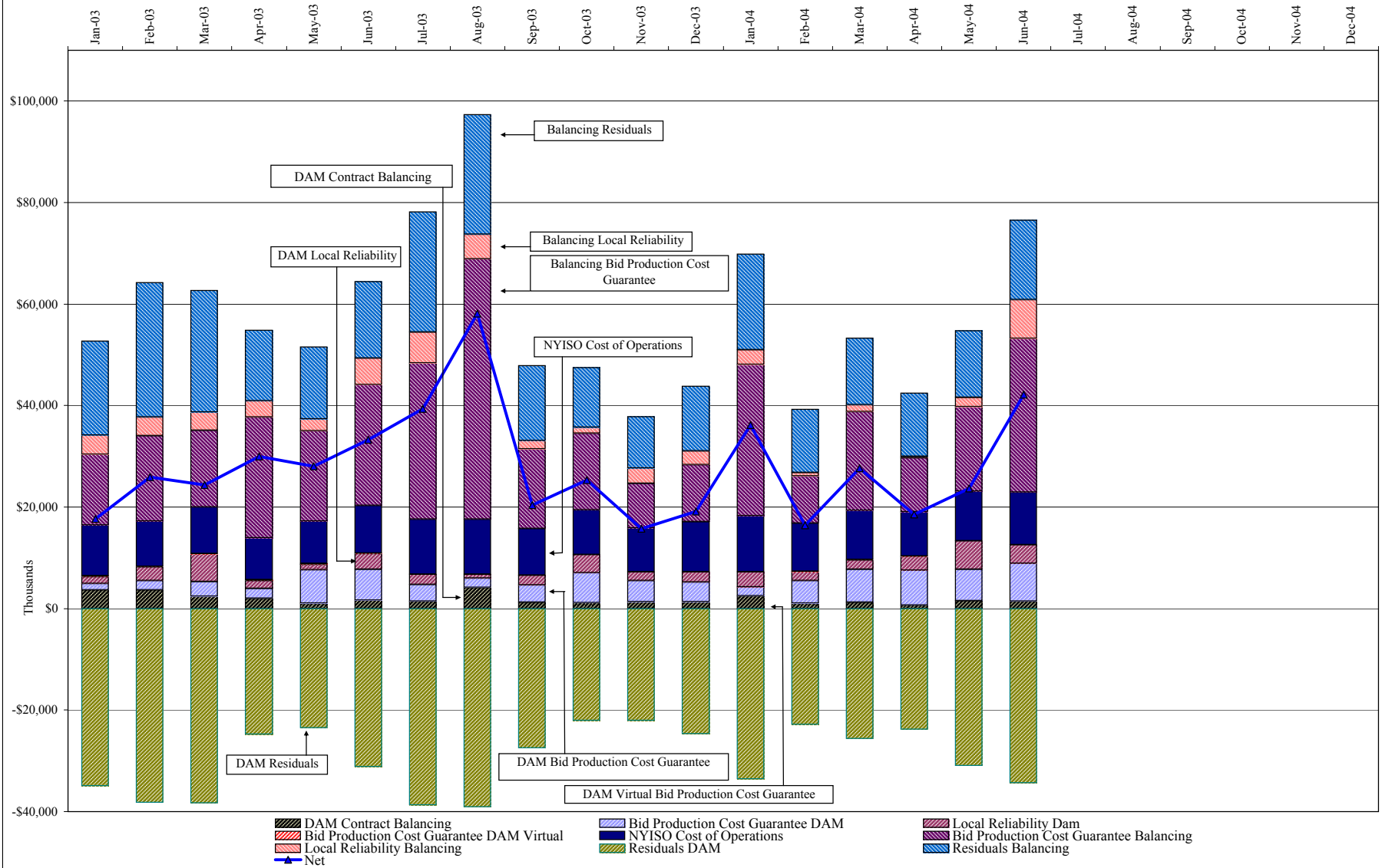
**NYISO Average Cost/MWH (Energy and Ancillary Services)*
from the LBMP Customer point of view**

| 2004 | | January | February | March | April | May | June | July | August | September | October | November | December |
|-------------|---------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|------|--------|-----------|---------|----------|----------|
| | LBMP | 76.13 | 57.13 | 50.60 | 52.49 | 61.23 | 59.78 | | | | | | |
| | NTAC | 0.47 | 0.42 | 0.55 | 0.51 | 0.42 | 0.53 | | | | | | |
| | Reserve | 0.27 | 0.14 | 0.20 | 0.17 | 0.14 | 0.09 | | | | | | |
| | Regulation | 0.18 | 0.34 | 0.25 | 0.13 | 0.11 | 0.11 | | | | | | |
| | NYISO Cost of Operations | 0.73 | 0.73 | 0.73 | 0.73 | 0.73 | 0.73 | | | | | | |
| | Uplift | 1.57 | 0.44 | 1.25 | 0.76 | 0.92 | 2.15 | | | | | | |
| | Voltage Support and Black Start | <u>0.36</u> | <u>0.36</u> | <u>0.36</u> | <u>0.36</u> | <u>0.36</u> | <u>0.36</u> | | | | | | |
| | Avg Monthly Cost | 79.72 | 59.56 | 53.94 | 55.14 | 63.92 | 63.75 | | | | | | |
| | Avg YTD Cost | 79.72 | 70.68 | 65.29 | 63.02 | 63.19 | 63.29 | | | | | | |

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

* Excludes ICAP payments

NYISO Dollar Flows - Uplift - OATT Schedule 1 components



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

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

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

NYISO Markets Transactions

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

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% | 0% | 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 | | | | | | |
| Standard Deviation | \$25.99 | \$14.40 | \$10.90 | \$11.42 | \$16.72 | \$17.82 | | | | | | |
| Load Wtg.Price ** | \$75.01 | \$56.90 | \$50.44 | \$52.50 | \$59.89 | \$58.29 | | | | | | |
| <u>BME *** LBMP</u> | | | | | | | | | | | | |
| Price * | \$77.51 | \$54.41 | \$53.01 | \$56.94 | \$60.98 | \$59.15 | | | | | | |
| Standard Deviation | \$37.54 | \$15.73 | \$16.25 | \$18.41 | \$23.58 | \$24.50 | | | | | | |
| Load Wtg.Price ** | \$80.51 | \$55.89 | \$54.71 | \$58.89 | \$64.14 | \$63.17 | | | | | | |
| <u>REAL TIME LBMP</u> | | | | | | | | | | | | |
| Price * | \$73.72 | \$52.95 | \$49.56 | \$50.83 | \$56.20 | \$54.03 | | | | | | |
| Standard Deviation | \$32.61 | \$15.04 | \$17.75 | \$14.15 | \$25.74 | \$23.42 | | | | | | |
| Load Wtg.Price ** | \$76.85 | \$54.33 | \$51.27 | \$52.36 | \$59.61 | \$58.01 | | | | | | |
| Average Daily Energy Sendout/Month GWh | 464 | 440 | 416 | 393 | 408 | 451 | | | | | | |

NYISO Markets 2003 Energy Statistics

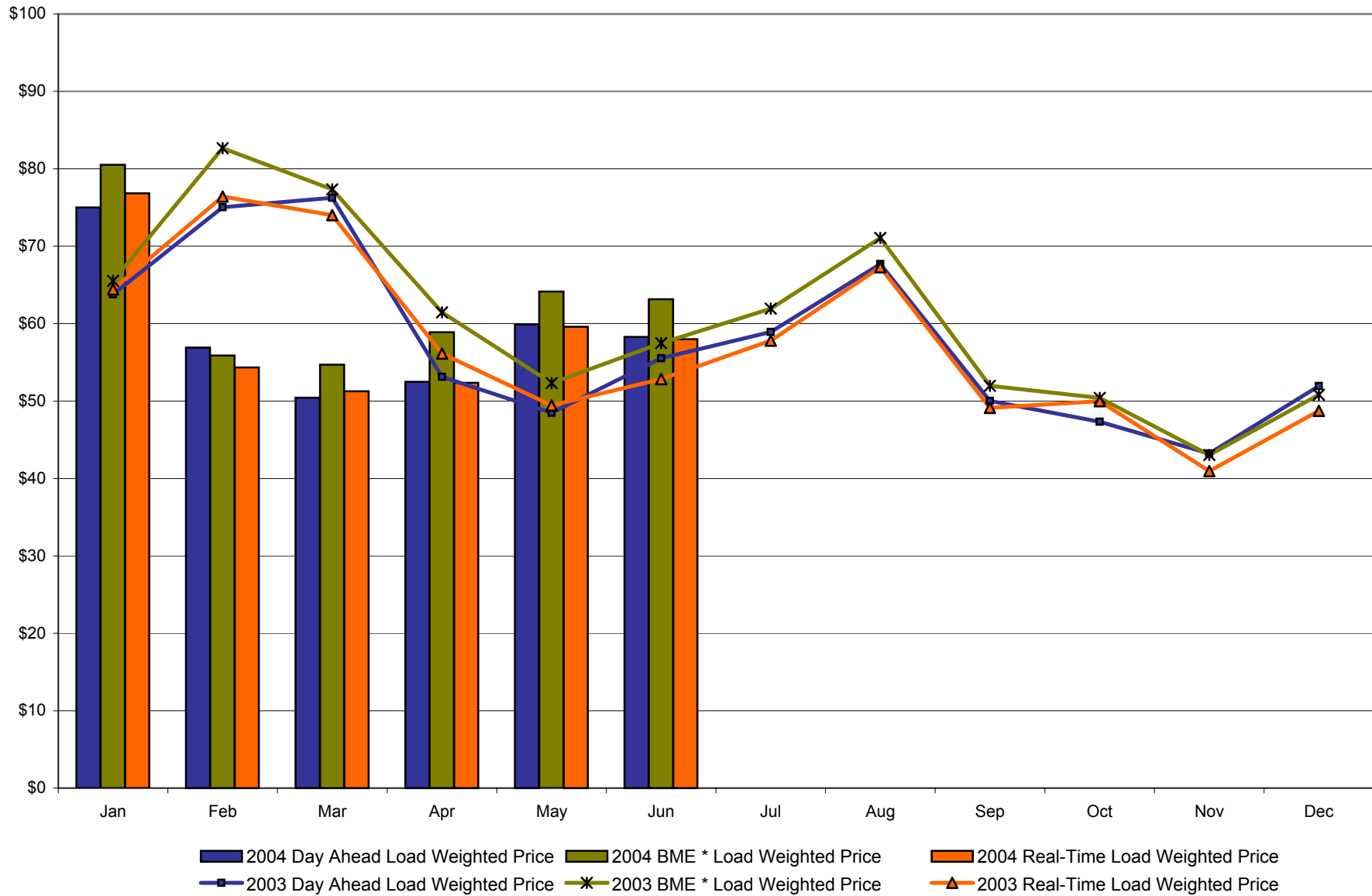
| | January | February | March | April | May | June | July | August | September | October | November | December |
|--|---------|----------|---------|---------|---------|---------|---------|---------|-----------|---------|----------|----------|
| <u>DAY AHEAD LBMP</u> | | | | | | | | | | | | |
| Price * | \$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

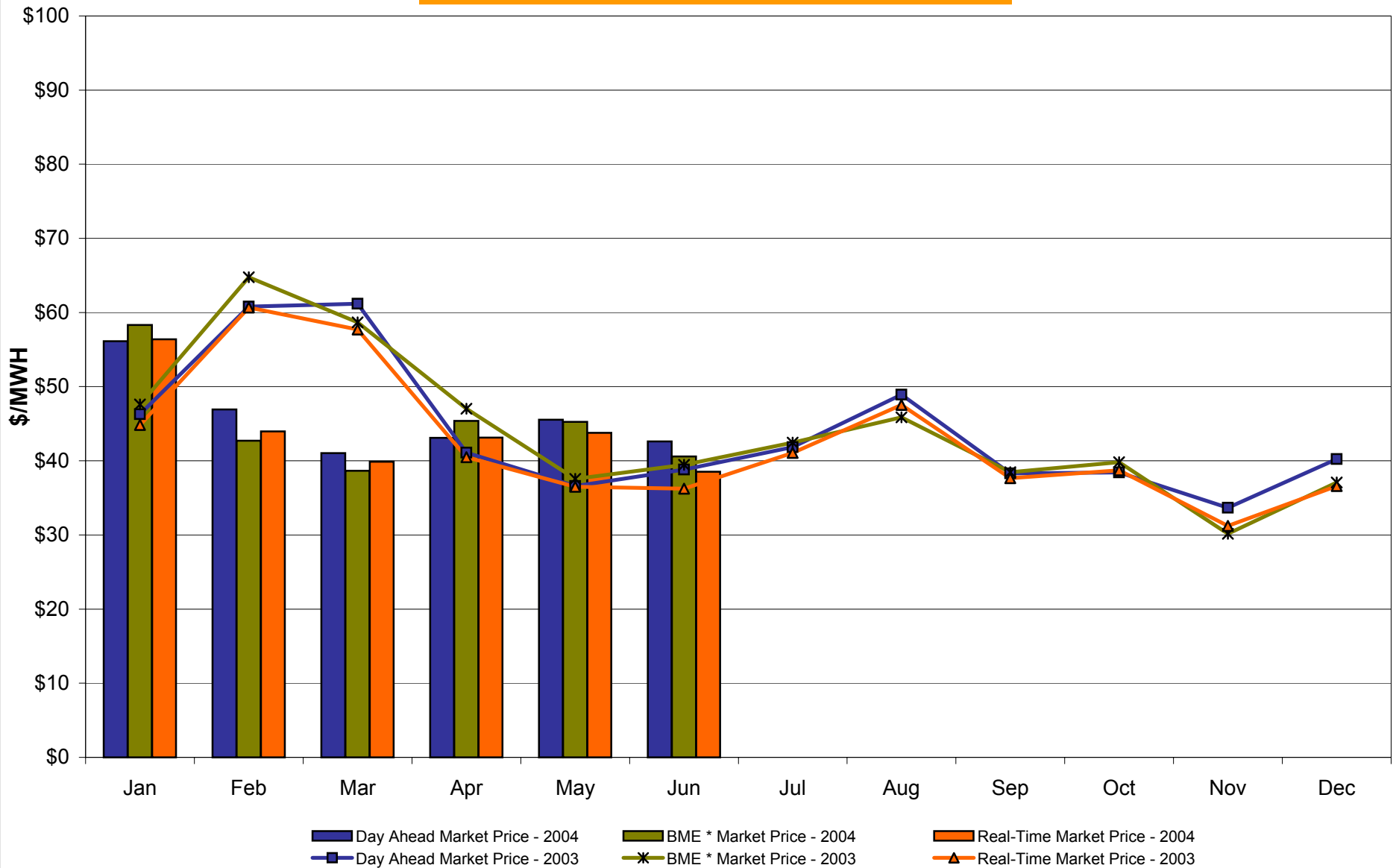
June 2004 Zonal Statistics for NYISO (\$/MWH)

| | WEST Zone A | GENESEE Zone B | NORTH Zone D | CENTRAL Zone C | MOHAWK VALLEY Zone E | CAPITAL Zone F | HUDSON VALLEY Zone G | MILLWOOD Zone H | DUNWOODIE Zone I | NEW YORK CITY Zone J | LONG ISLAND Zone K |
|------------------------------|-----------------------------------|------------------------------------|-------------------------|-----------------------------------|-------------------------------------|---------------------------|-------------------------------------|----------------------------|-----------------------------|-------------------------------------|-----------------------------------|
| <u>DAY AHEAD LBMP</u> | | | | | | | | | | | |
| Unweighted Price * | 42.60 | 45.45 | 46.38 | 45.77 | 47.76 | 50.33 | 51.57 | 51.88 | 52.57 | 63.09 | 62.60 |
| Standard Deviation | 13.92 | 14.28 | 13.93 | 14.32 | 14.60 | 15.34 | 16.38 | 17.00 | 17.41 | 22.97 | 17.47 |
| <u>BME ** LBMP</u> | | | | | | | | | | | |
| Unweighted Price * | 40.58 | 42.44 | 47.25 | 46.86 | 48.38 | 49.55 | 50.75 | 52.63 | 53.32 | 74.26 | 66.40 |
| Standard Deviation | 16.62 | 17.03 | 17.21 | 17.90 | 18.13 | 18.39 | 18.98 | 23.25 | 23.48 | 35.90 | 27.83 |
| <u>REAL TIME LBMP</u> | | | | | | | | | | | |
| Unweighted Price * | 38.52 | 41.43 | 42.08 | 41.21 | 43.17 | 43.17 | 45.21 | 49.20 | 50.00 | 65.42 | 64.79 |
| Standard Deviation | 16.46 | 17.17 | 17.36 | 17.12 | 17.82 | 19.59 | 20.19 | 26.47 | 26.81 | 31.17 | 29.91 |
| | ONTARIO IMO Zone O | HYDRO QUEBEC Zone M | PJM Zone P | NEW ENGLAND Zone N | | | | | | | |
| <u>DAY AHEAD LBMP</u> | | | | | | | | | | | |
| Unweighted Price * | 41.82 | 47.02 | 44.38 | 51.06 | | | | | | | |
| Standard Deviation | 13.41 | 14.21 | 15.88 | 15.77 | | | | | | | |
| <u>BME ** LBMP</u> | | | | | | | | | | | |
| Unweighted Price * | 37.79 | 47.49 | 43.76 | 50.38 | | | | | | | |
| Standard Deviation | 41.90 | 17.08 | 20.62 | 17.69 | | | | | | | |
| <u>REAL TIME LBMP</u> | | | | | | | | | | | |
| Unweighted Price * | 37.31 | 42.41 | 39.10 | 46.43 | | | | | | | |
| Standard Deviation | 42.19 | 17.52 | 18.85 | 19.29 | | | | | | | |

* Straight zonal LBMP averages

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

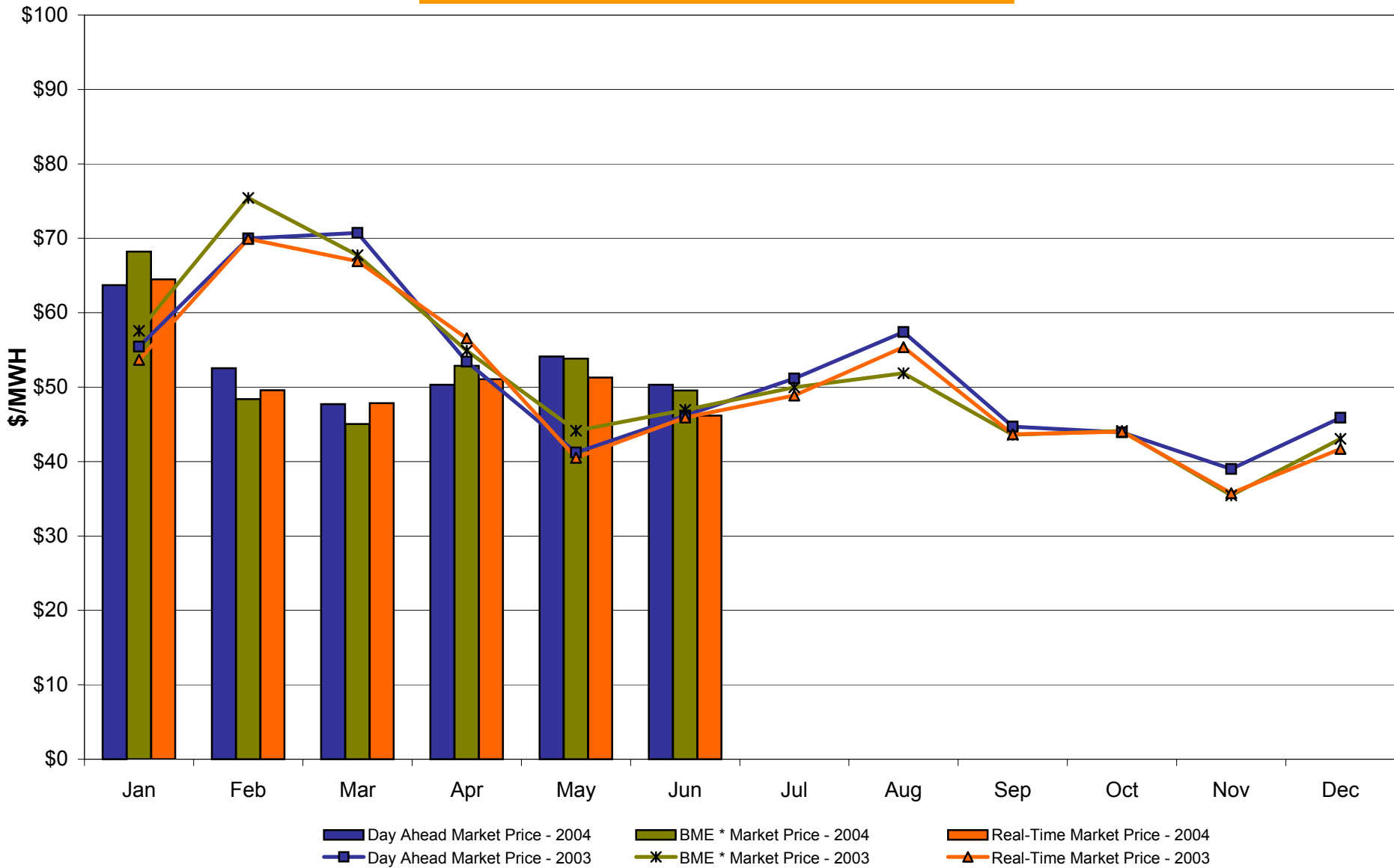
West Zone A Monthly Average LBMP Prices 2003 - 2004



4-H

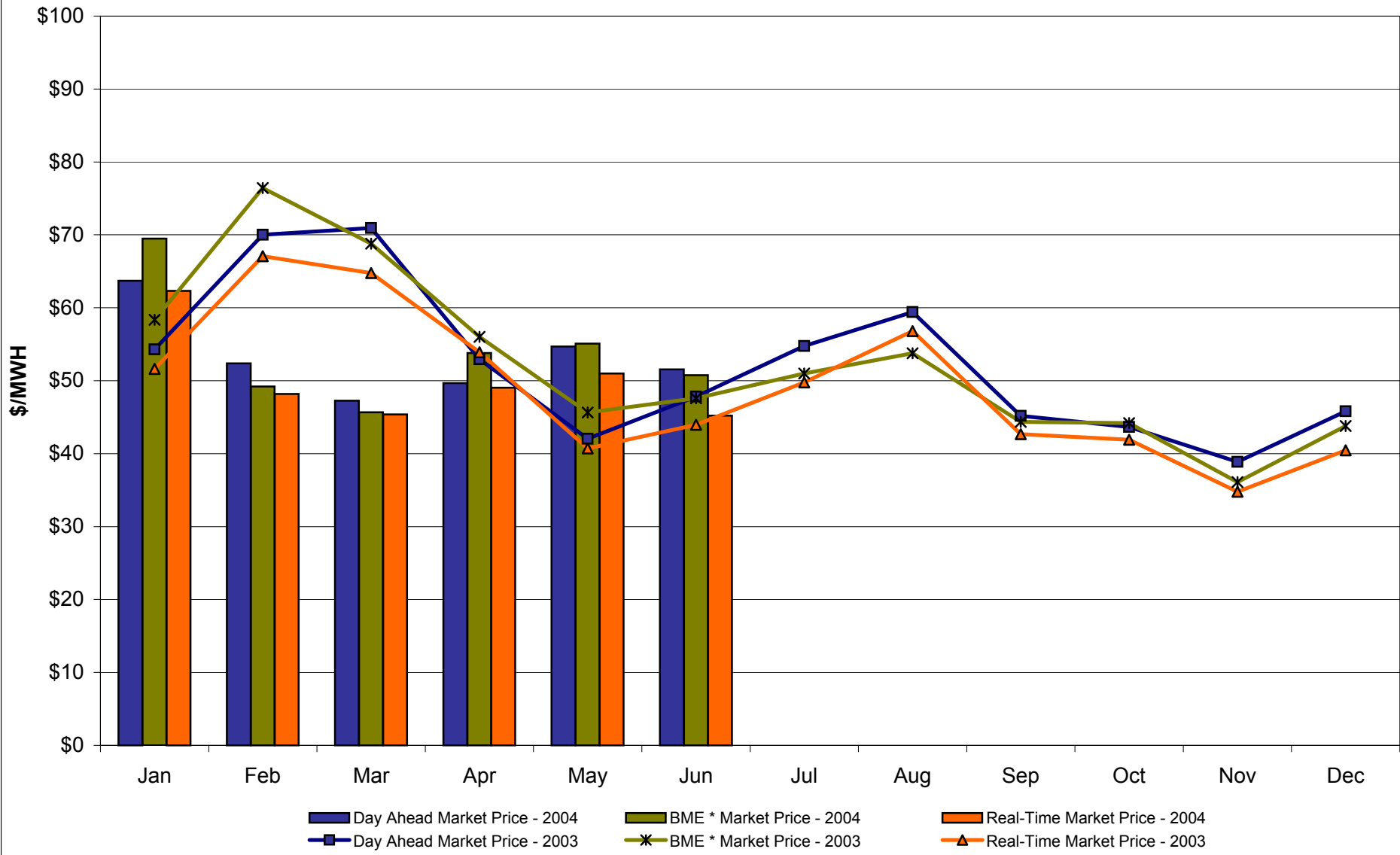
* Commonly referred to as Hour Ahead Market (HAM)

Capital Zone F Monthly Average LBMP Prices 2003 - 2004



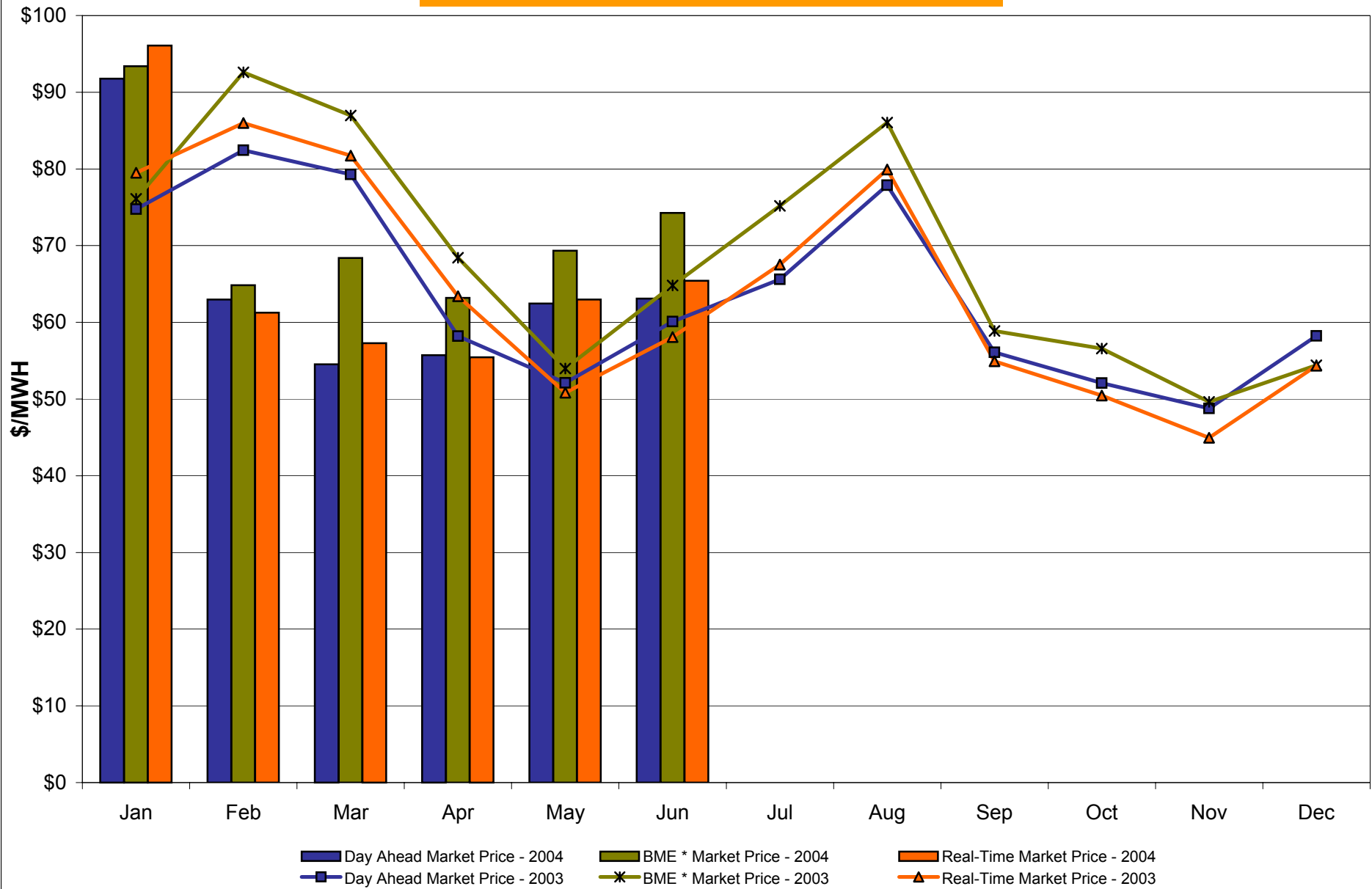
* Commonly referred to as Hour Ahead Market (HAM)

Hudson Valley Zone G Monthly Average LBMP Prices 2003 - 2004



* Commonly referred to as Hour Ahead Market (HAM)

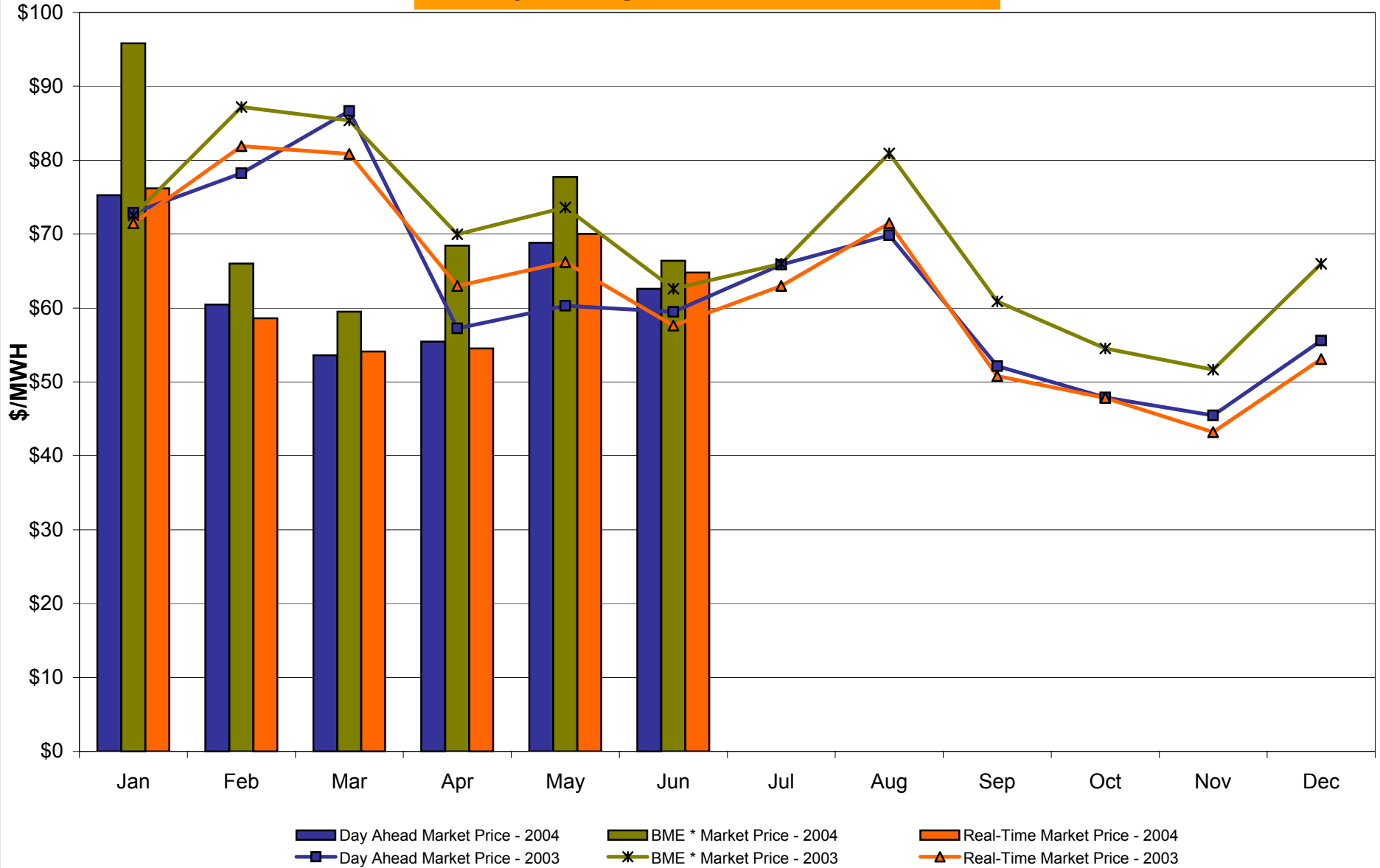
NYC Zone J Monthly Average LBMP Prices 2003 - 2004



* Commonly referred to as Hour Ahead Market (HAM)

4-K

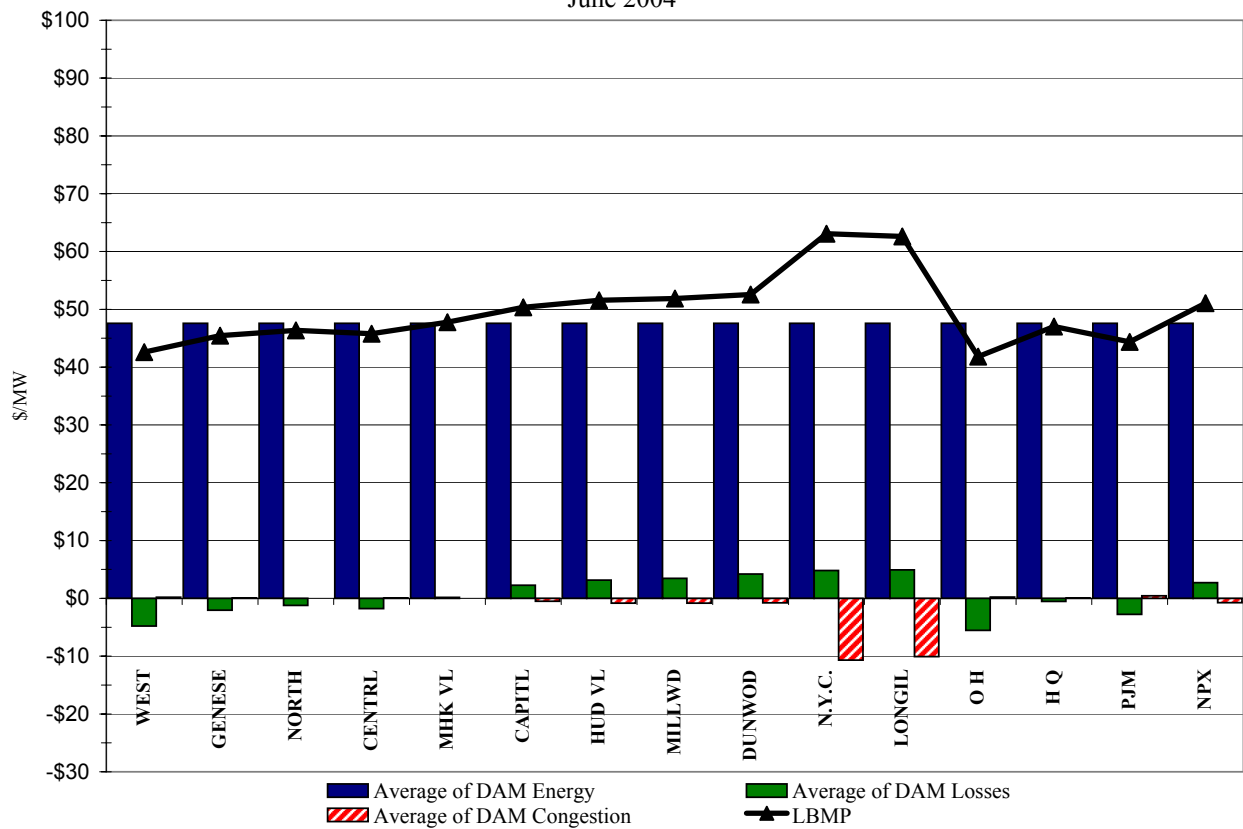
Long Island Zone K Monthly Average LBMP Prices 2003 - 2004



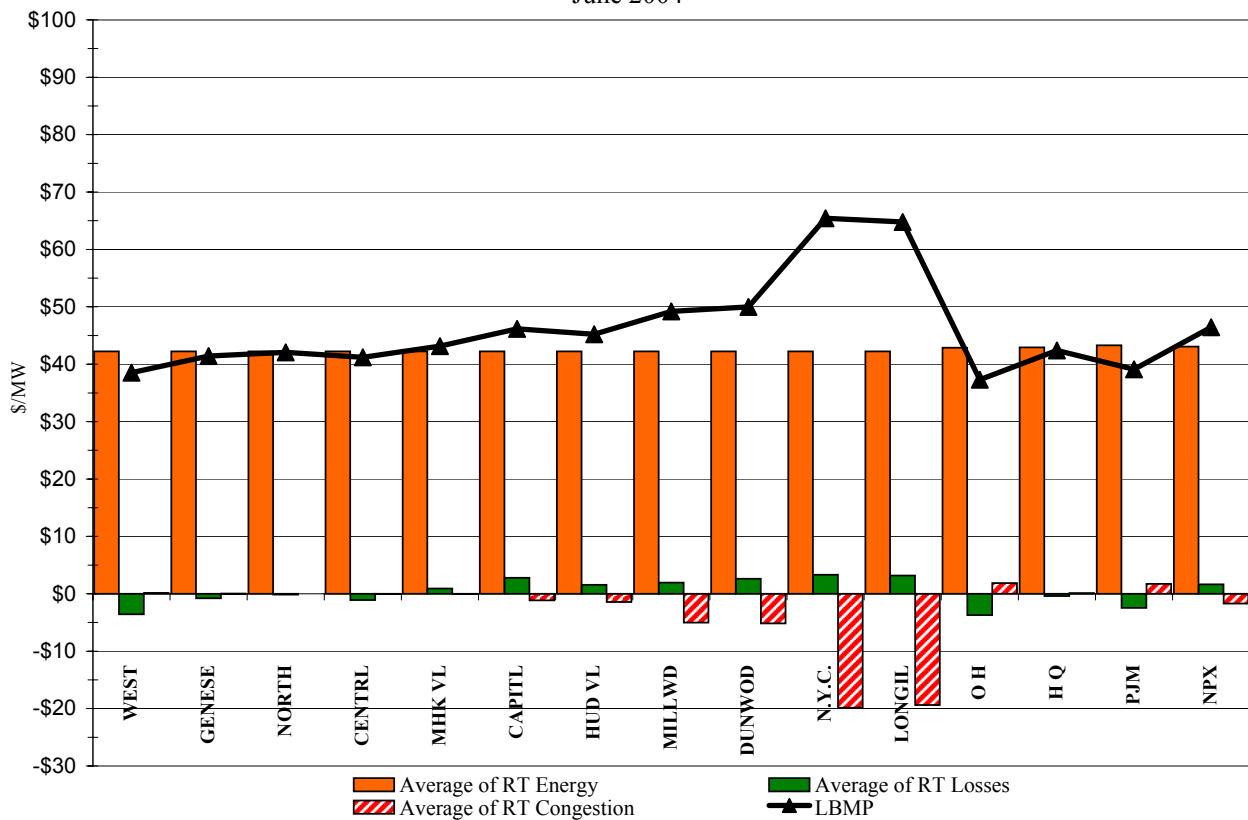
4-L

* Commonly referred to as Hour Ahead Market (HAM)

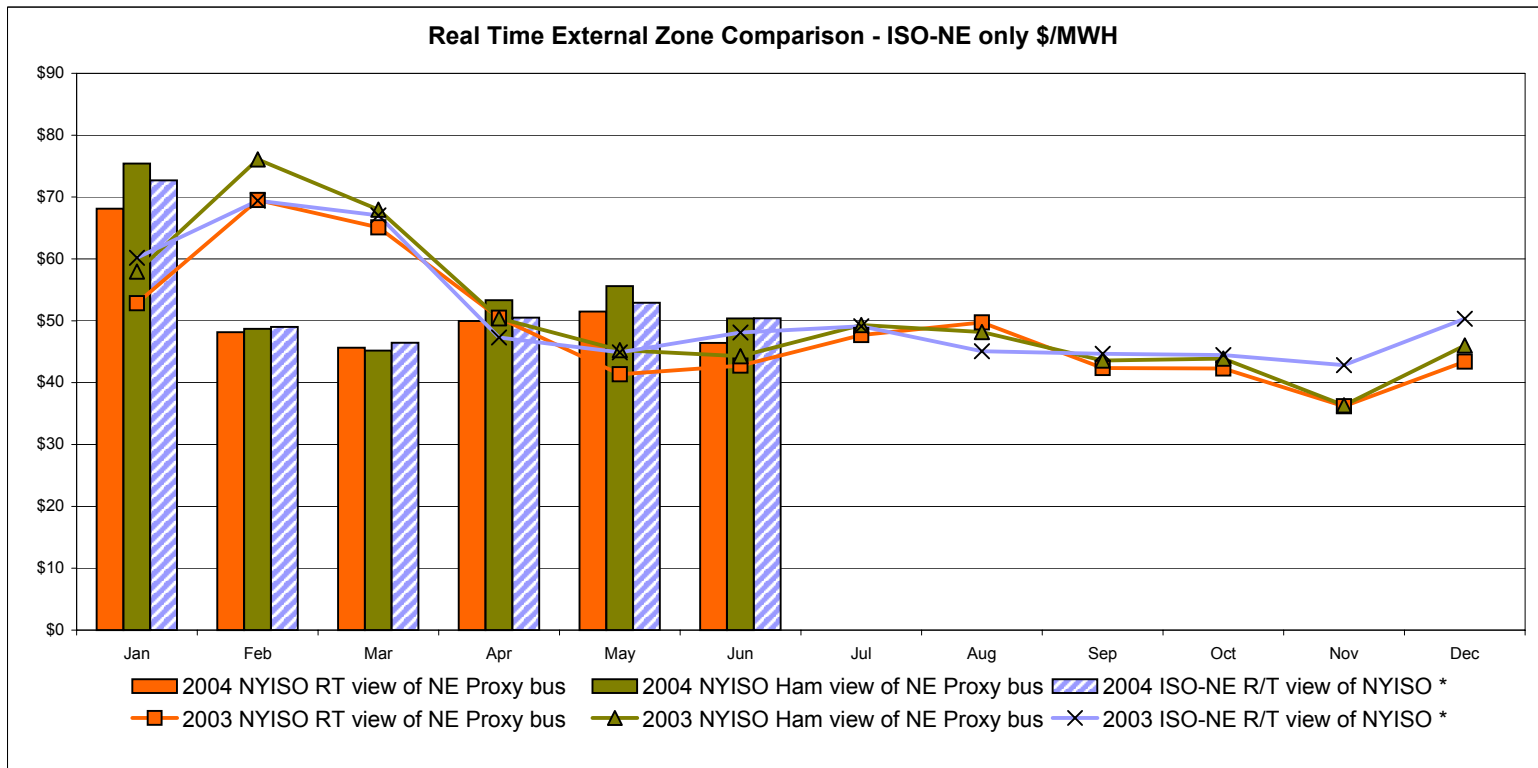
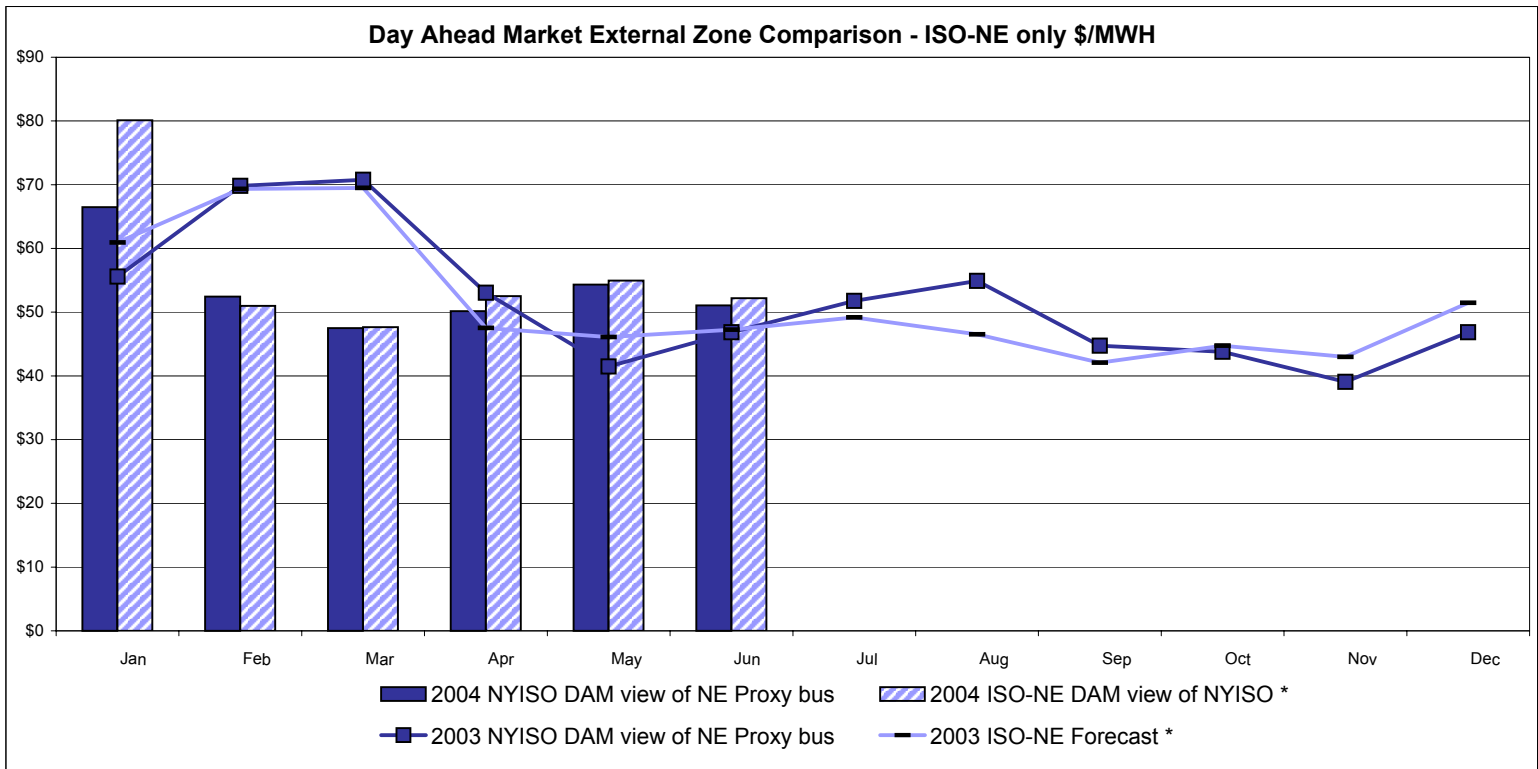
DAM Zonal Unweighted Monthly Average LBMP Components
June 2004



RT Zonal Unweighted Monthly Average LBMP Components
June 2004



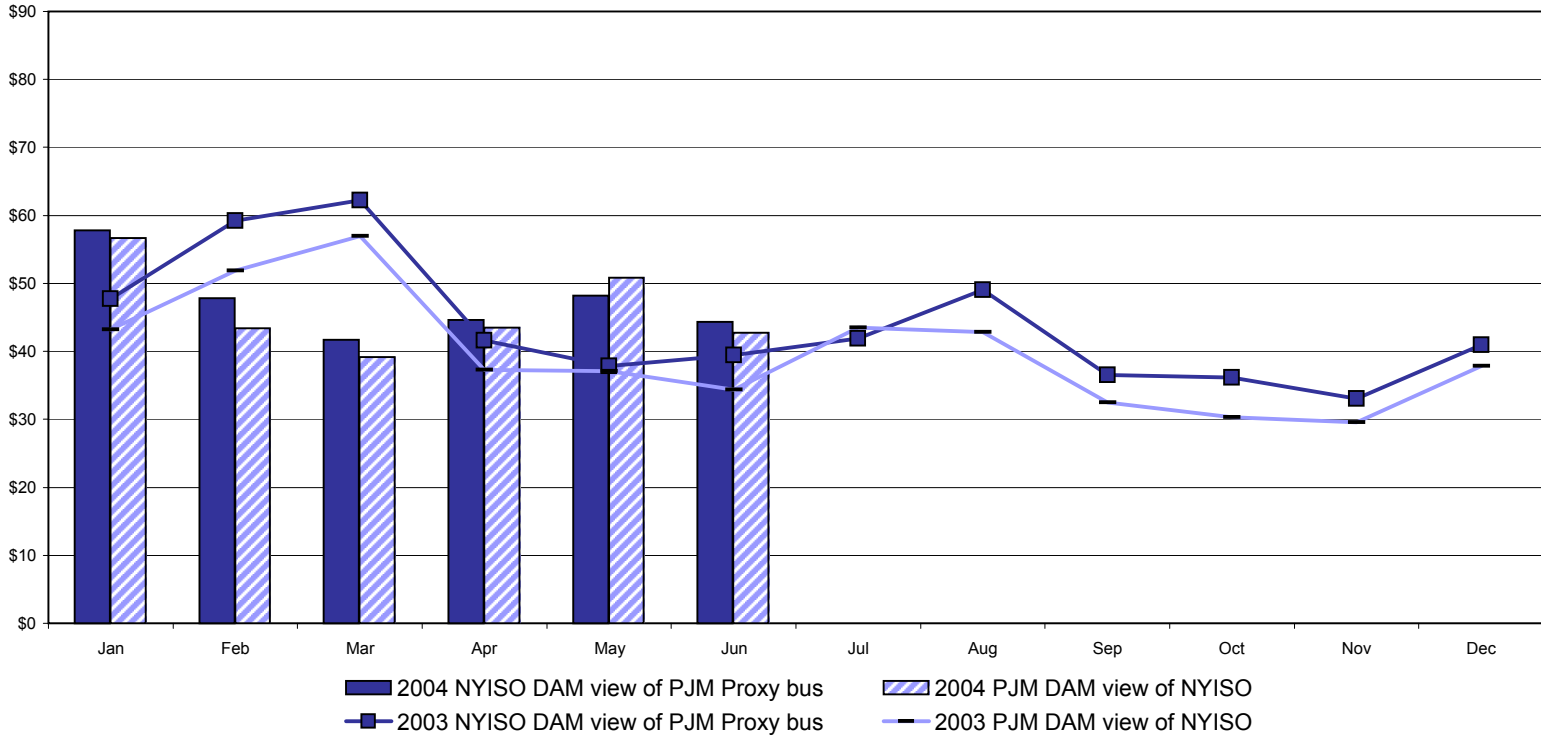
External Comparison ISO-NE



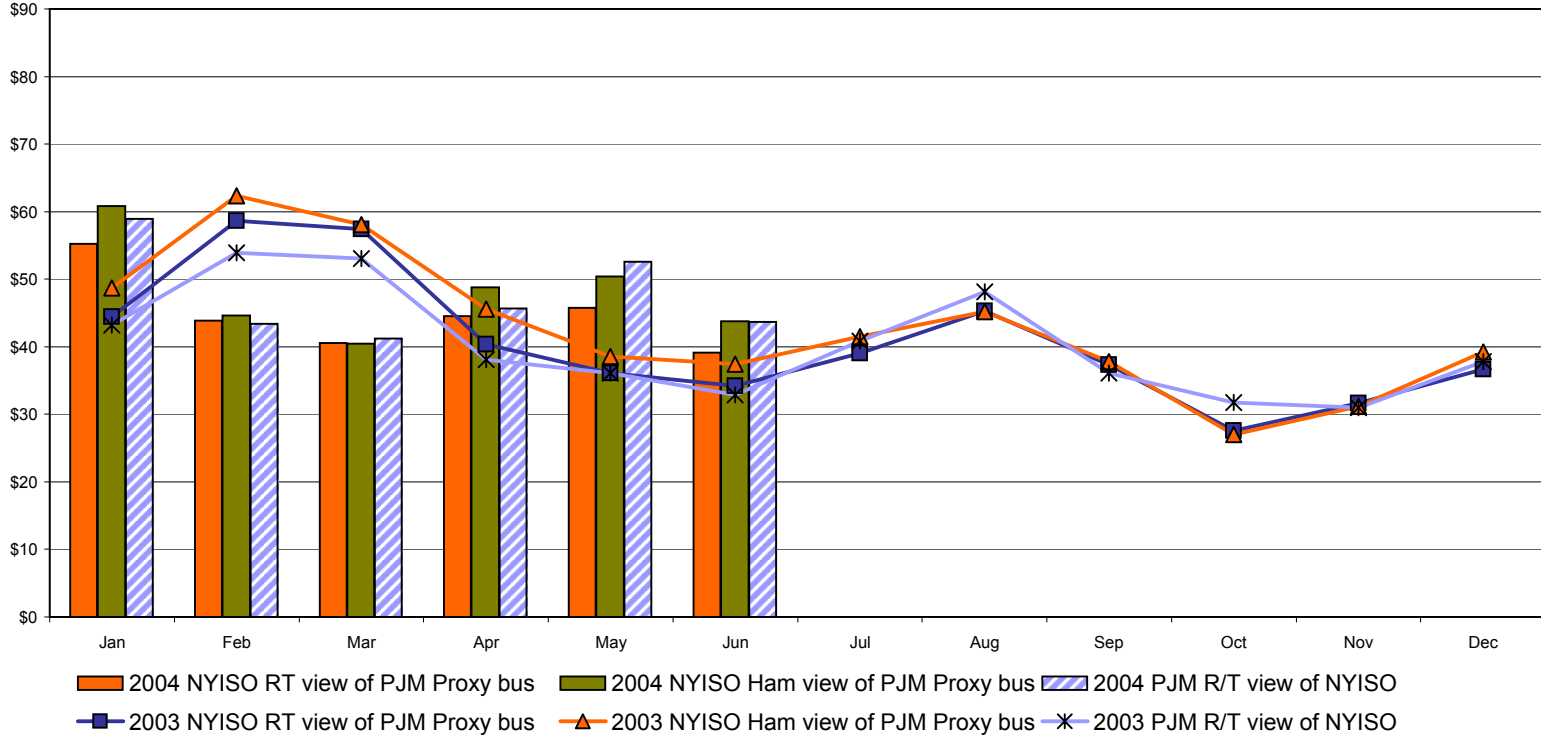
Note:
 ISO-NE Forecast is an advisory posting @ 18:00 day before
 * Effective 3/1/2003 SMD implemented by ISO-NE. The DAM and R/T prices at the Roseton interface are now used.

External Comparison PJM

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

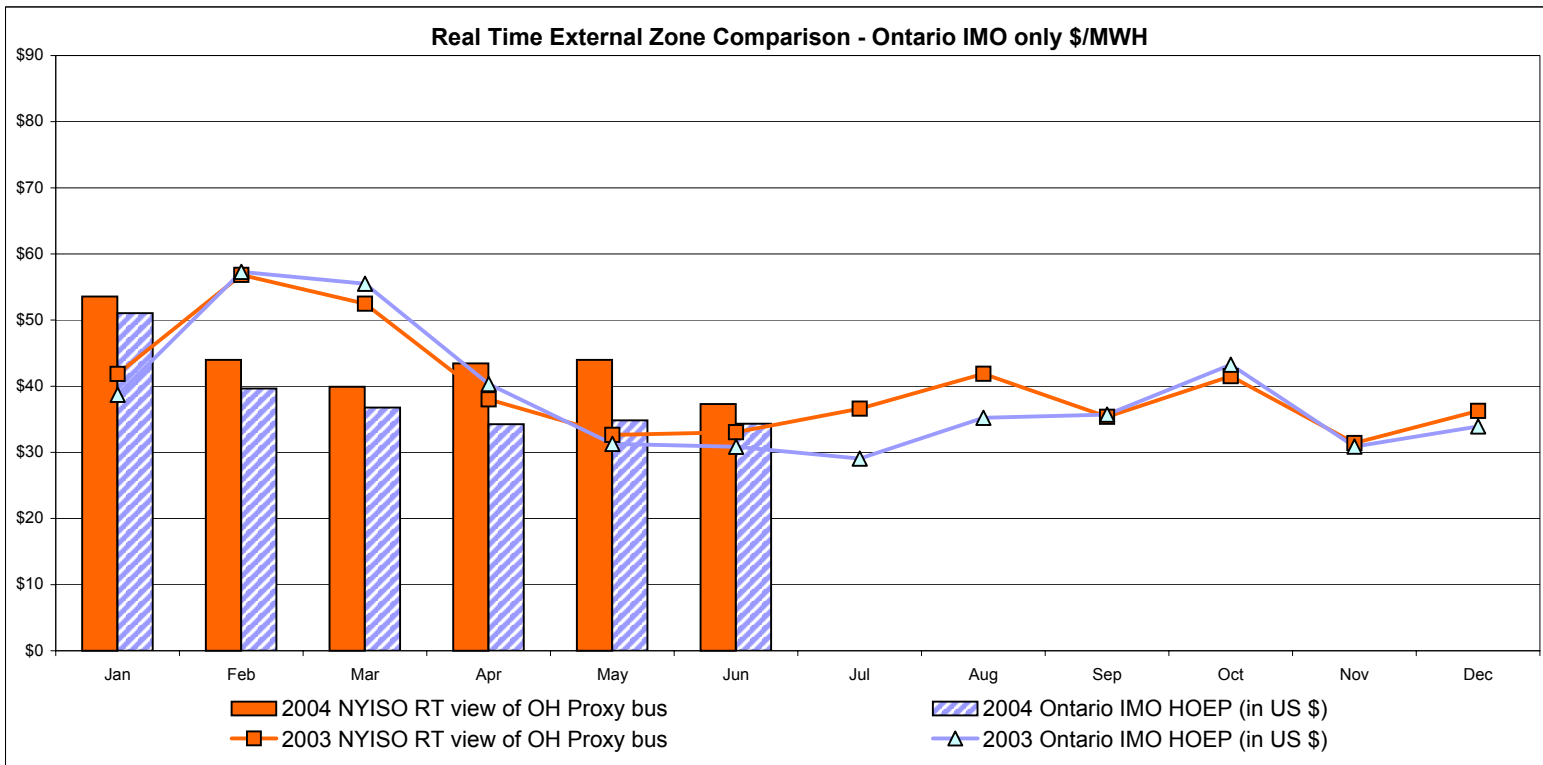
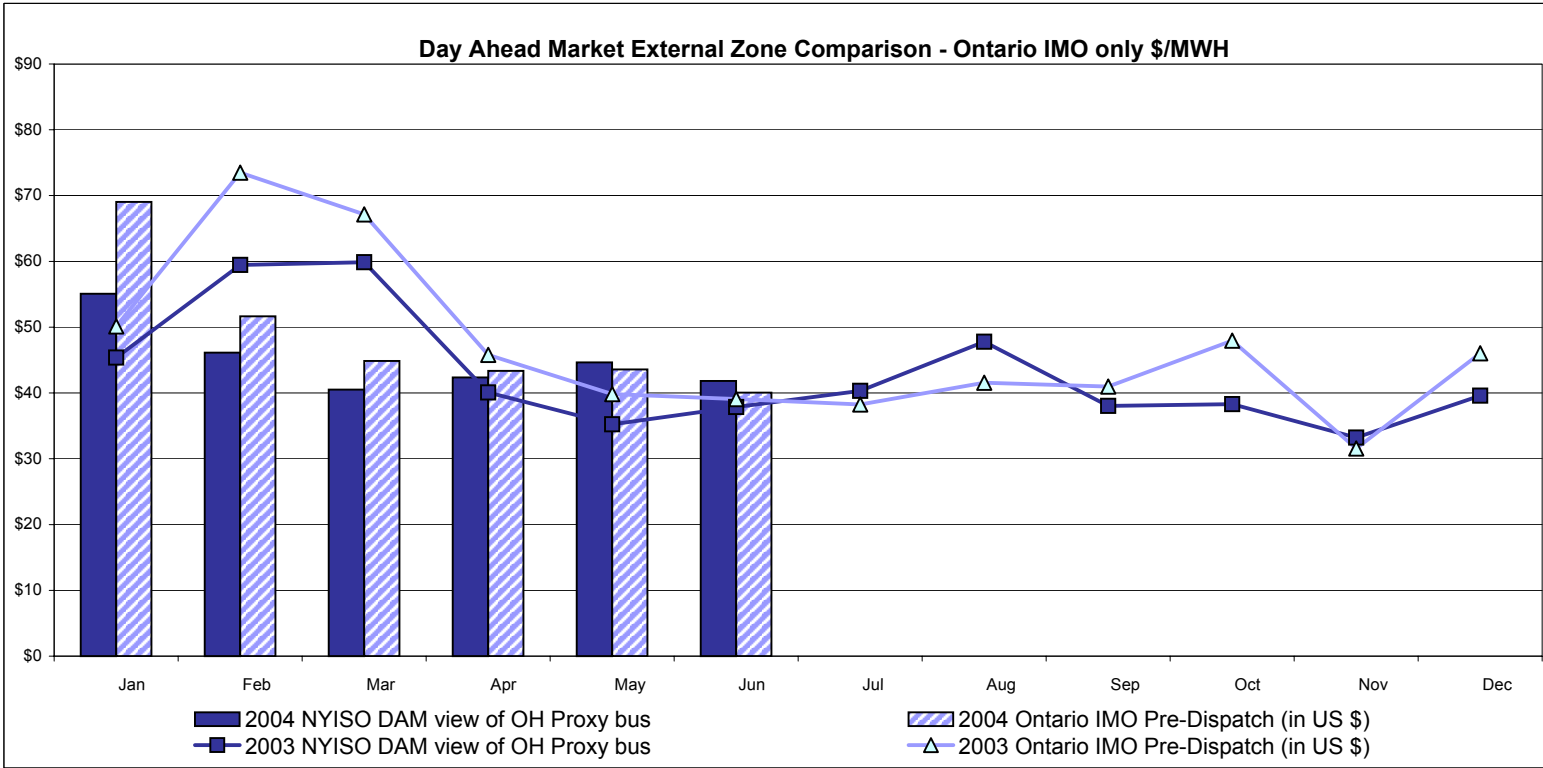


Real Time External Zone Comparison - PJM only \$/MWH



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

External Comparison Ontario IMO



Notes: Exchange factor used for June 2004 was .74 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

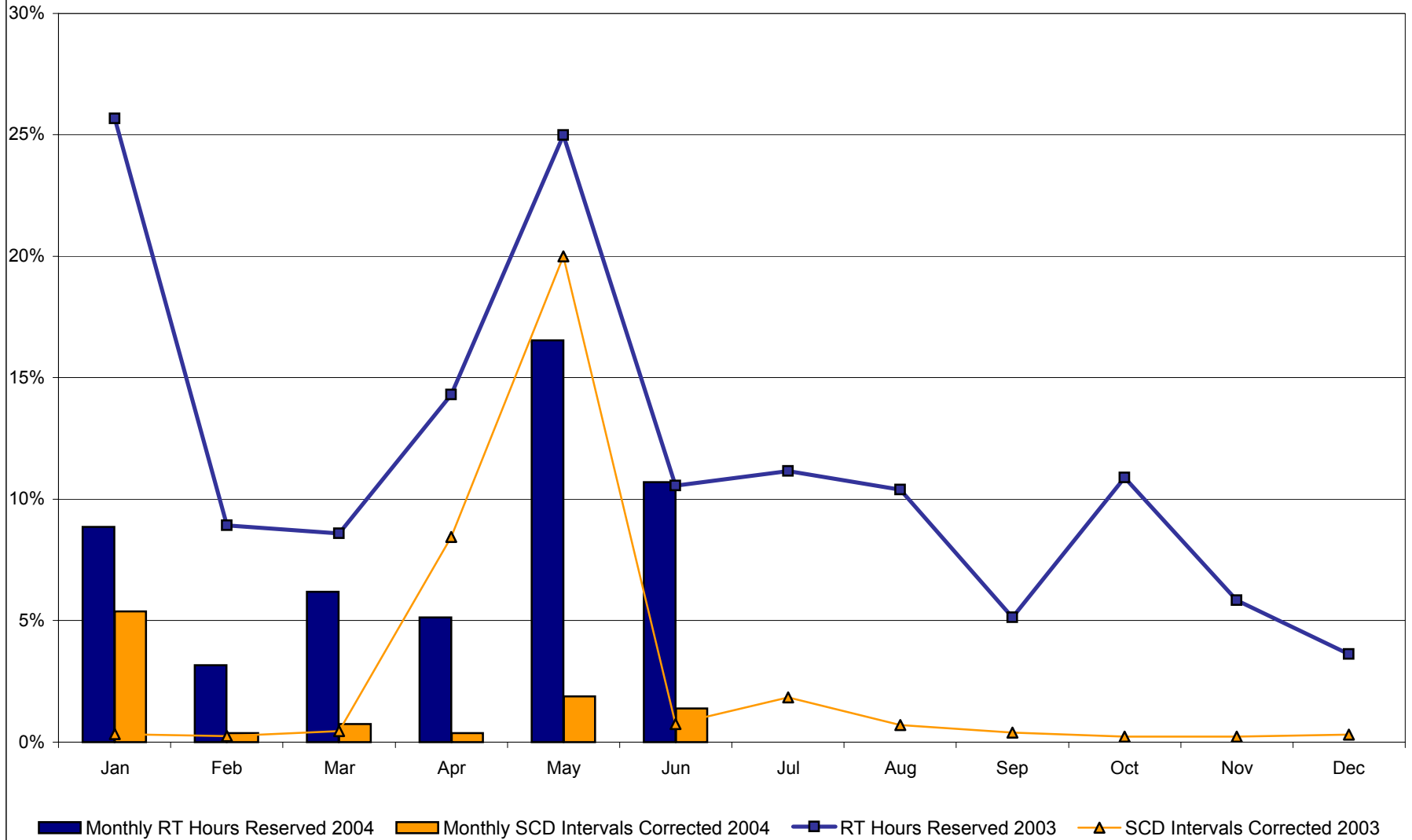
| <u>Interval Corrections</u> | January | February | March | April | May | June | July | August | September | October | November | December |
|--|---------|----------|--------|--------|--------|--------|------|--------|-----------|---------|----------|----------|
| Number of Intervals corrected in the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

NYISO Price Corrections 2003

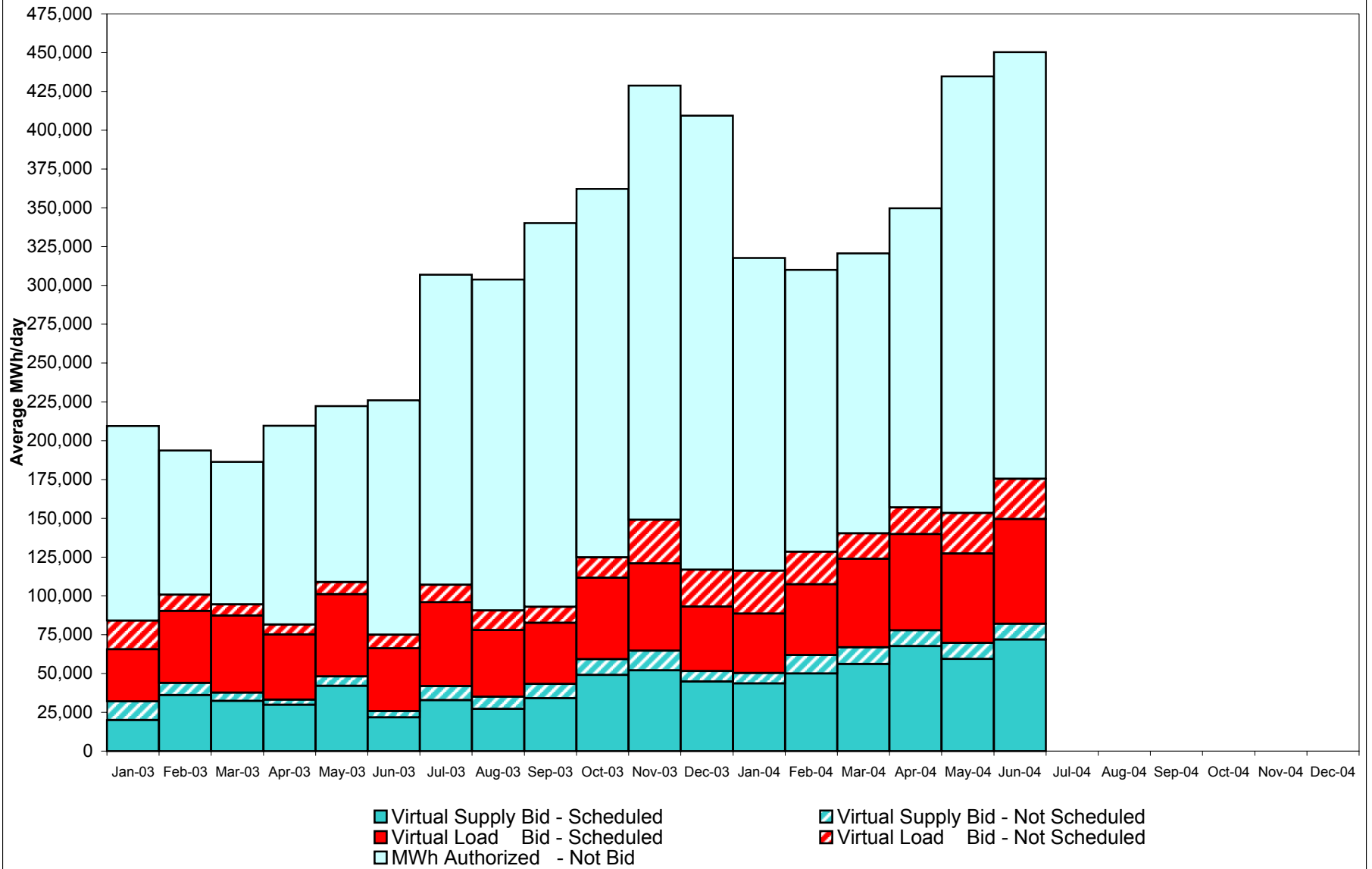
| <u>Interval Corrections</u> | January | February | March | April | May | June | July | August | September | October | November | December |
|--|---------|----------|--------|--------|--------|--------|--------|--------|-----------|---------|----------|----------|
| Number of Intervals corrected in 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

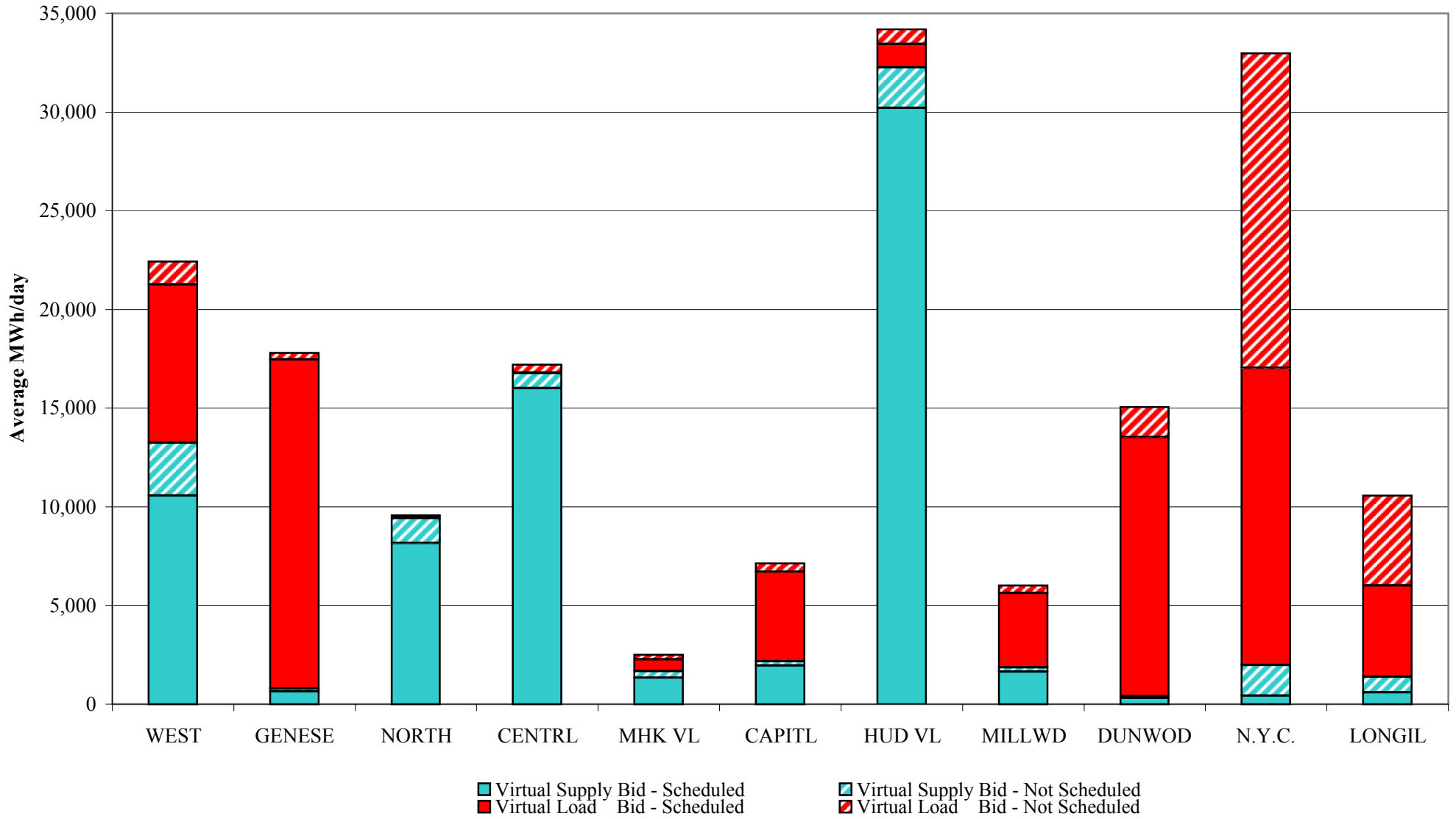
Percentage of Real-Time Corrections



**NYISO Virtual Trading
Average MWh per day**

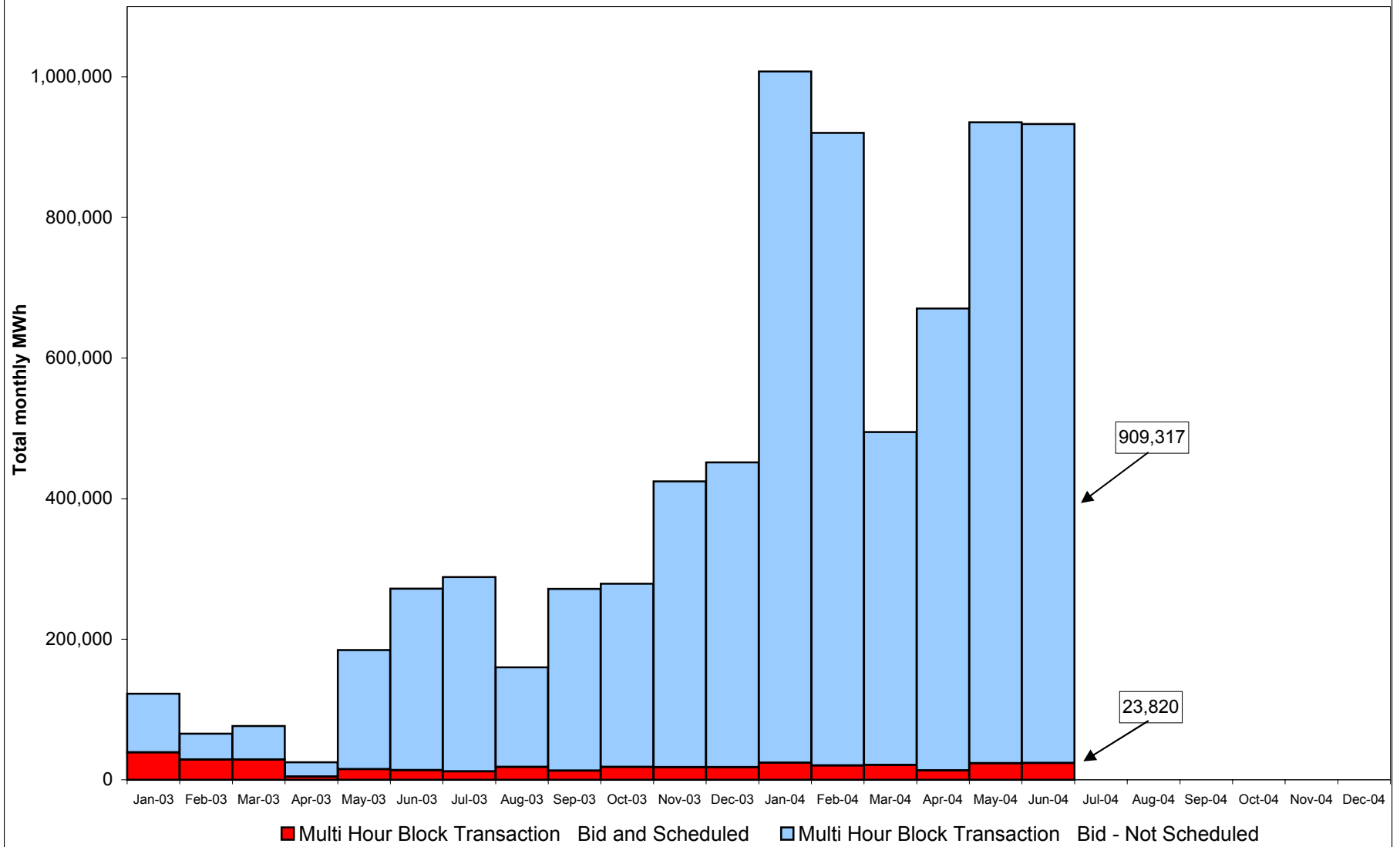


Virtual Load and Supply Zonal Statistics June 2004

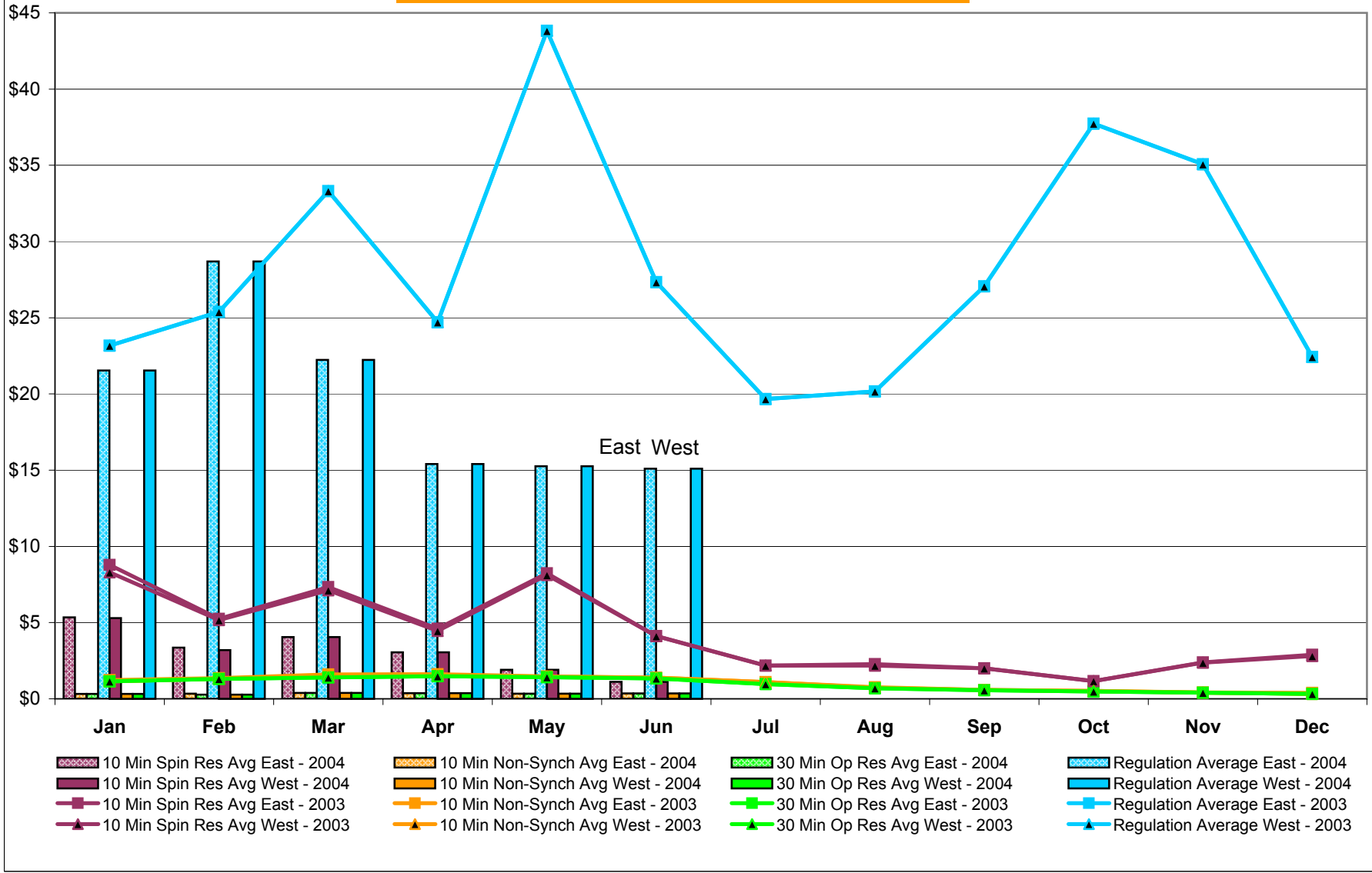


4-T

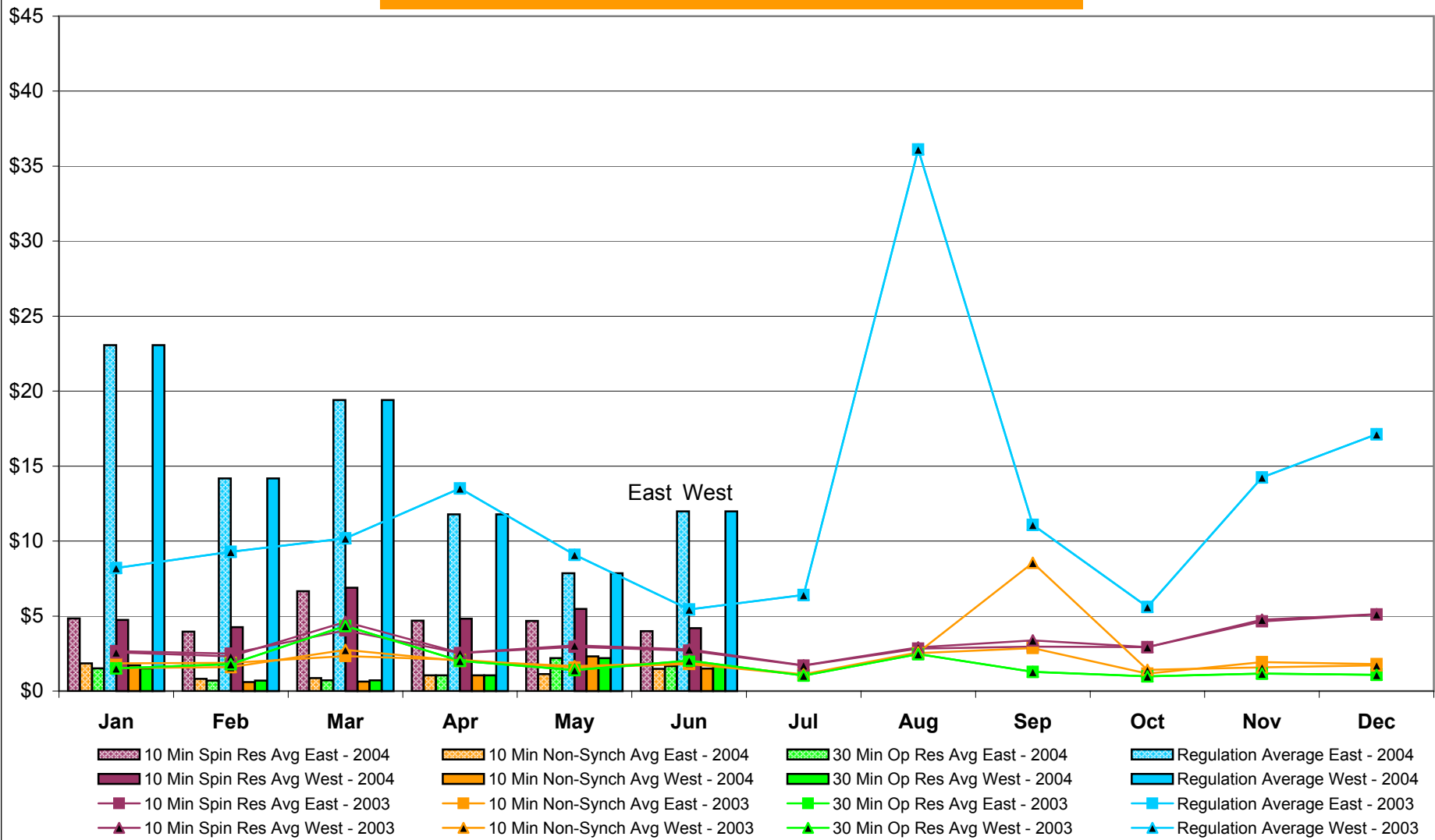
NYISO Multi Hour Block Transactions Monthly Total MWh



**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 |
| 10 Min Spin West | 5.29 | 3.20 | 4.05 | 3.04 | 1.90 | 1.11 |
| 10 Min Non Synch East | 0.33 | 0.33 | 0.39 | 0.38 | 0.34 | 0.35 |
| 10 Min Non Synch West | 0.32 | 0.27 | 0.39 | 0.38 | 0.33 | 0.35 |
| 30 Min East | 0.32 | 0.27 | 0.39 | 0.38 | 0.33 | 0.35 |
| 30 Min West | 0.32 | 0.27 | 0.39 | 0.38 | 0.33 | 0.35 |
| Regulation East | 21.54 | 28.69 | 22.23 | 15.41 | 15.26 | 15.10 |
| Regulation West | 21.54 | 28.69 | 22.23 | 15.41 | 15.26 | 15.10 |

BME* Market

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

ANCILLARY SERVICES Unweighted Price (\$/MWH) 2003

Day Ahead Market

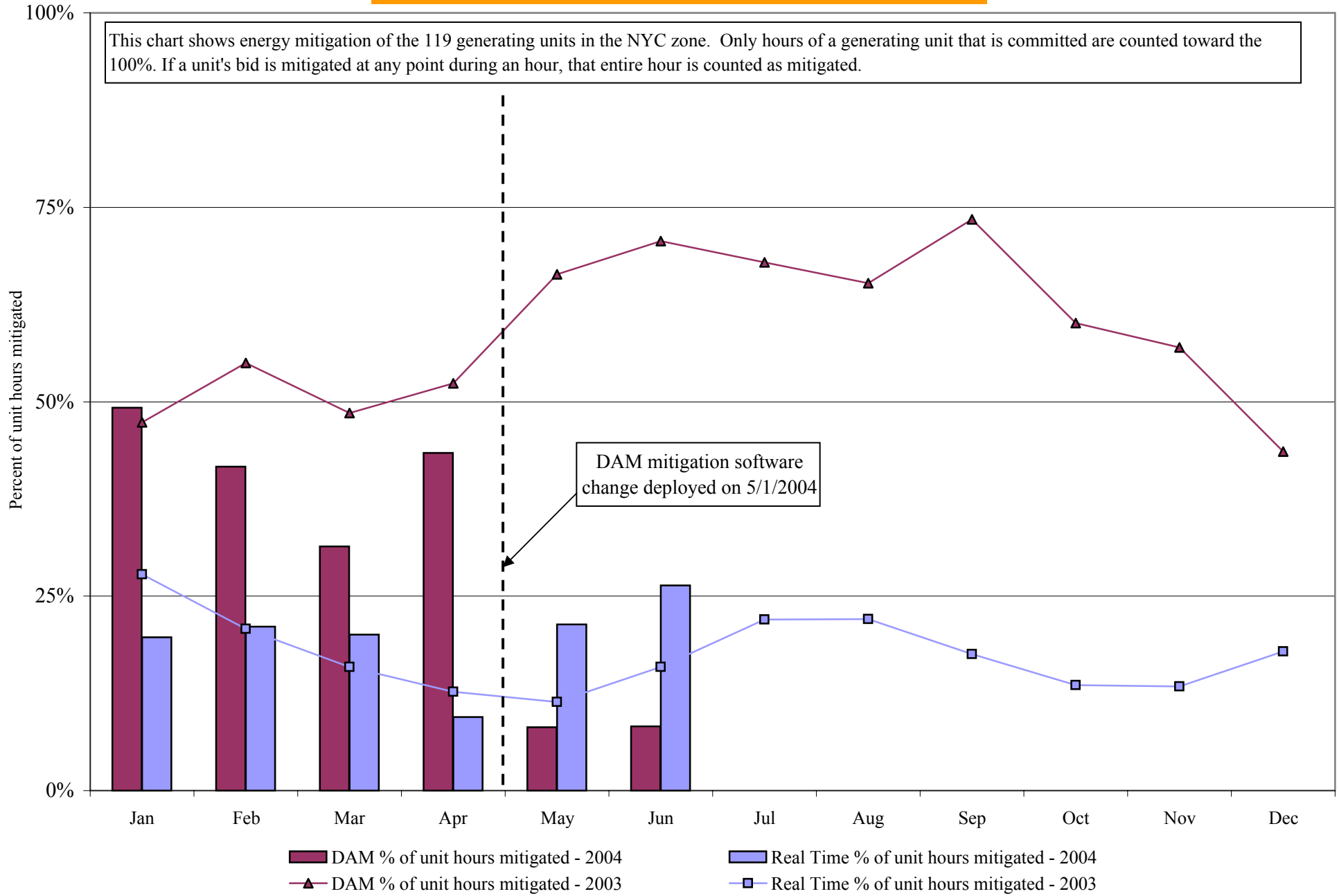
| | | | | | | | | | | | | |
|-----------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 10 Min Spin East | 8.78 | 5.24 | 7.33 | 4.60 | 8.24 | 4.12 | 2.18 | 2.28 | 2.01 | 1.17 | 2.39 | 2.89 |
| 10 Min Spin West | 8.30 | 5.17 | 7.12 | 4.45 | 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 |

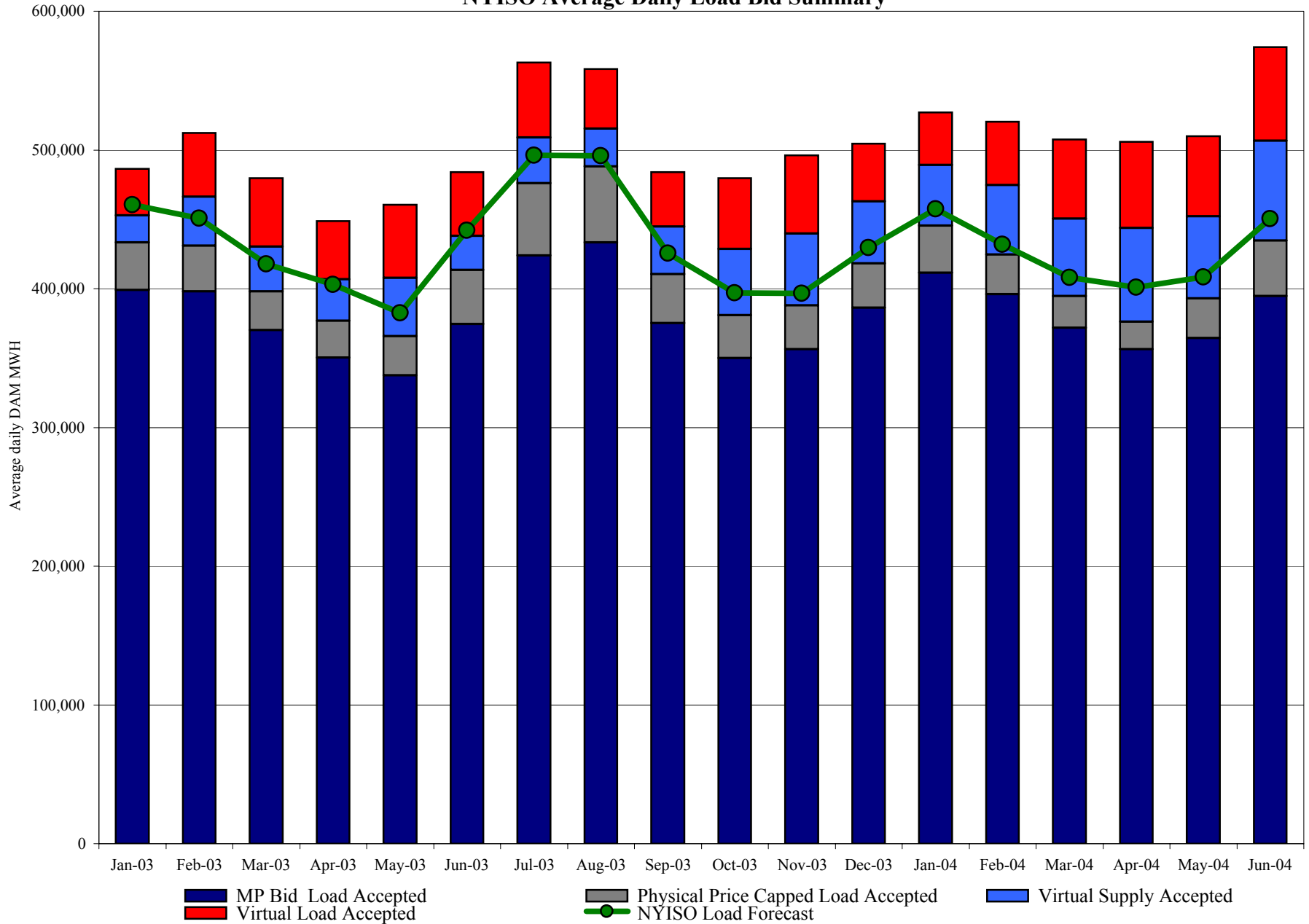
* Commonly Referred to as Hour Ahead Market (HAM)

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

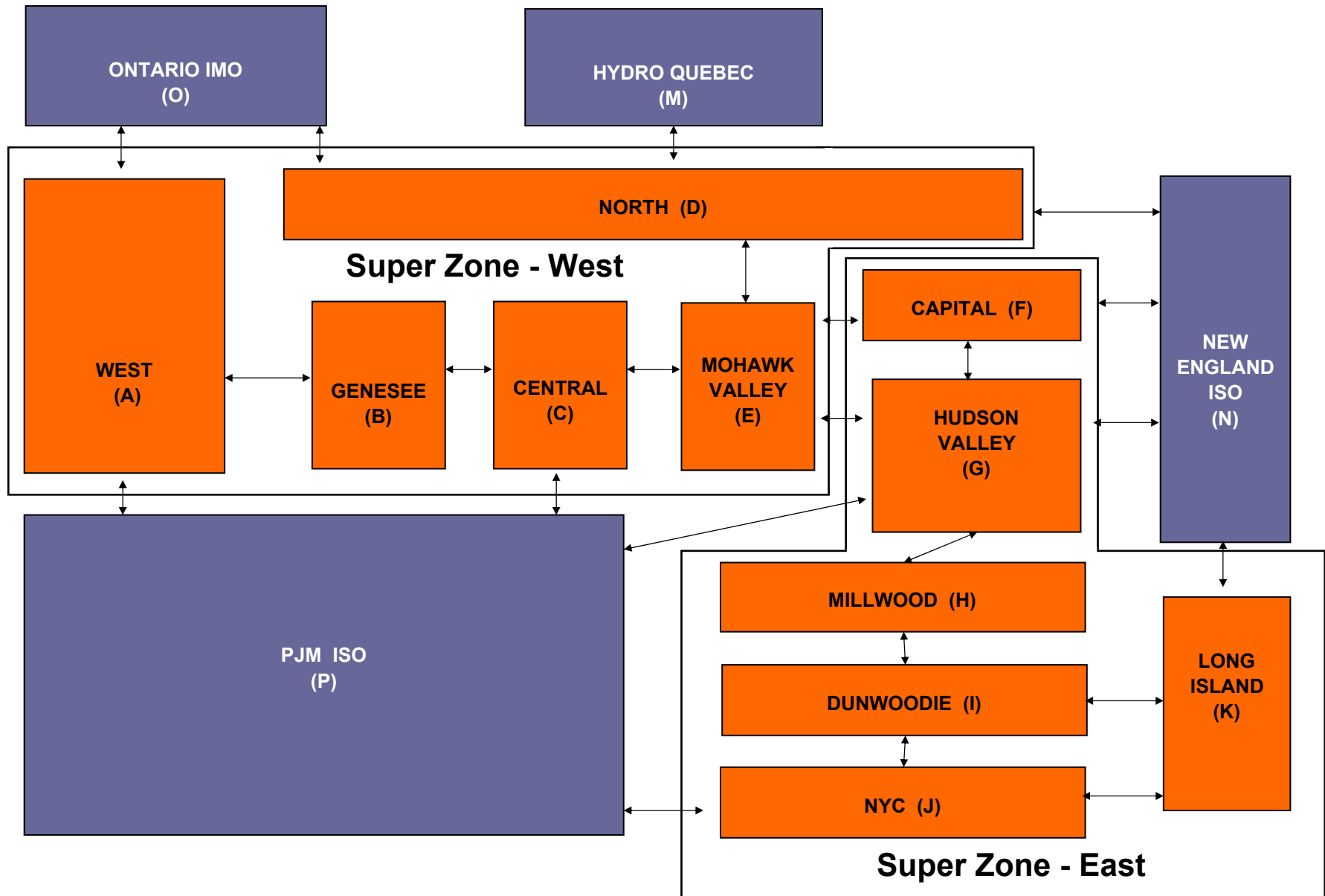


4-Y

NYISO Average Daily Load Bid Summary



NYISO LBMP ZONES



Persistent Dragging Update

Business Issues Committee

07/21/04

- **The NYISO has taken a number of actions to avoid occurrence of persistent dragging:**
 - *Plant visits to understand the causes.*
 - *MMU audits found and resulted in corrections to some metering issues.*
 - *Individual meetings with historical draggers to discuss the causes and consider options to avoid – Discussions continue as needed.*
 - *Conducted 2 Generator Dispatch Seminars in May and June*
 - ▶ Well attended by plant operators and bidding staff.
 - ▶ Feedback was very positive with regard to improved understanding of dispatch signals and effects of dragging.
 - *System Operations pursuing procedures to perform Operating Reserve Audits for Summer 04.*

- **Monitoring of historical draggers indicates substantial improvement for these units over previous periods including last summer.**
- **MPs requested a reporting method to monitor dragging.**
- **The NYISO has developed a report using DSS capability as it would be accessible on-demand by DSS users.**
- **These reports are new and the NYISO is evaluating daily performance and will share its interpretations of the aggregate data.**