

July 18, 2003

From: Robert E. Fernandez, General Counsel

Re: Pending New York Power Authority Appeal to NYISO Board of Directors

On June 18, 2003, the Management Committee approved a revised method for allocating congestion rent shortfalls to be filed, after NYISO Board of Directors concurrence, as a tariff amendment under section 205 of the Federal Power Act. On July 15, 2003, the NYISO Board unanimously approved filing the revised congestion rent shortfall allocation formula under section 205. The NYISO Board has determined that its approval of the section 205 filing renders moot all of the issues raised in the New York Power Authority's pending appeal to the NYISO Board of the Management Committee's initial congestion rent allocation formula approved on May 14, 2003.

The Board's approval of the 205 filing also renders moot Con Edison's and Long Island Power Authority's appeals of a Supplemental Congestion Reduction Proposal approved by the Management Committee on February 20, 2003.