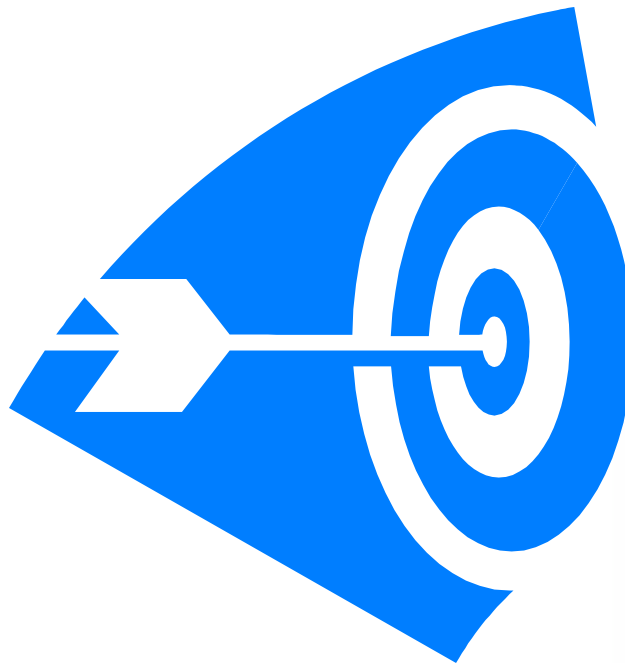


NYISO 2003 Incentive Goals Achievement Levels and Payout



Gateway Goals

Both Met

RELIABILITY GATEWAY GOAL

1. Maintain service to NYCA load.

No interruption of load because of improper implementation of operating procedures by the NYISO.

No loss of load or deliberate load shedding triggering a NERC reportable event (>300MWs for >15 minutes).

MARKET GATEWAY GOAL

2. Successfully post DAM schedules/ forward contracts.

DAM schedules/forward contracts are posted 99% of the time during 2003.

Load Forecasting Goal

Part a - Target

Part b - Threshold

Goal Values		
Threshold	Target	Superior

3. Prepare accurate Day-Ahead superzonal (non-weather-adjusted) load forecasts.

a) NYCA Peak Forecast MAPE
1.95%

$\leq 2.2\%$
difference
from actual

$\leq 2.0\%$
difference
from actual

$\leq 1.8\%$
difference
from actual

b) Days with 5% or greater absolute forecast error
21 days

≤ 21

≤ 17

≤ 15

Operating Standards Goal

Both parts Superior

Goal Values		
Threshold	Target	Superior

4. Comply with NERC/NAERO Operating Standards

CPS-1: 12 of 12	12 of 12 months	12 of 12 months	12 of 12 months
CPS-2: 12 of 12	10 of 12 months	11 of 12 months	12 of 12 months

Market Availability Goal

Part a – Superior

Part b1 – Superior

Part b2 - Threshold

Goal Values		
Threshold	Target	Superior

5a. Achieve timely posting of DAM schedules and forward contracts. Post by 11 am: 99.7%	<91%	94%	99%
5b.1 MIS Availability >= 99% based on current availability metrics 12 of 12	10 of 12 months	11 of 12 months	12 of 12 months
5b.2 During the year, an individual occurrence of unplanned service interruptions will not be greater than 4 hours. There will be no more than: 3 occurrences.	3 occs of 1-4 hours	2 occs of 1-4 hours	1 occ of 1-4 hours

Real-Time Price Certainty and Accuracy Goal

Part a – Threshold

Part b - missed

Goal Values		
Threshold	Target	Superior

6. Improve the certainty and accuracy of Real-Time prices:

a) Hours reserved: 11.74%	<=12%	<=10%	<=8%
b) Intervals corrected: 2.89%	<=0.6%	<=0.5%	<=0.4%

Billing and True-up Goal

Part a – Superior

Part b – missed

Part c - Superior

Goal Values		
Threshold	Target	Superior

7. Improve the billing and true-up process:

a. DSS Strategic Projects (Data Warehouse) –Availability of Billing Codes **98.5%**

90%

92%

95%

b. Project 583 Billing System Improvements Phase II – Web Based Reconciliation subproject only **8/12/03**

6/30/03

4/30/03

3/31/03

c. Turn-Around of Billing defects (in business days) **40 days**

60 days

55 days

45 days

Timely Resolution of Customer Inquiries Goal Superior

Goal Values		
Threshold	Target	Superior

- 8. Provide timely resolution of Customer inquiries, measured via a direct-reply Customer survey. **99.7%**

>= 90%

>= 95%

>= 99%

Improve Customer Satisfaction Goal

Superior

Goal Values		
Threshold	Target	Superior

9. Improve customer satisfaction with NYISO services as determined via surveying three times annually
6.397%

Score of	Score of	Score of
>=5.980	>=6.097	>=6.332

Project Execution Goal

Part a – Superior

Part b1 – missed

Part b2 - Superior

Goal Values		
Threshold	Target	Superior

10. Improve Project Management Deliverables (Goal weighted 20%)

a) On-time completion of high profile, high priority projects.

Miss 3

Miss 2

Miss 1

Miss 0

b) SMD 2.0 Project Deliverables

I) Completion of Factory Testing

11/14/03

10/09/03

9/15/03

II) Start of Market Trials

12/31/03

11/25/03

11/01/03

10/31/03

Payout Calculation

✓ Load Forecasting Goal	8.57
✓ Operating Standards Goal	17.14
✓ Market Availability Goal	14.29
✓ Price Certainty and Accuracy Goal	2.86
✓ Billing and True-Up Goal	11.42
✓ Customer Inquiries Goal	17.14
✓ Customer Satisfaction Goal	17.14
✓ Project Management Goal	17.50
✓ TOTAL	106.07

Incentive Goal Program Track Record

