
NYISO President's Report

*Management Committee Meeting
August 27, 2008*

Agenda #3

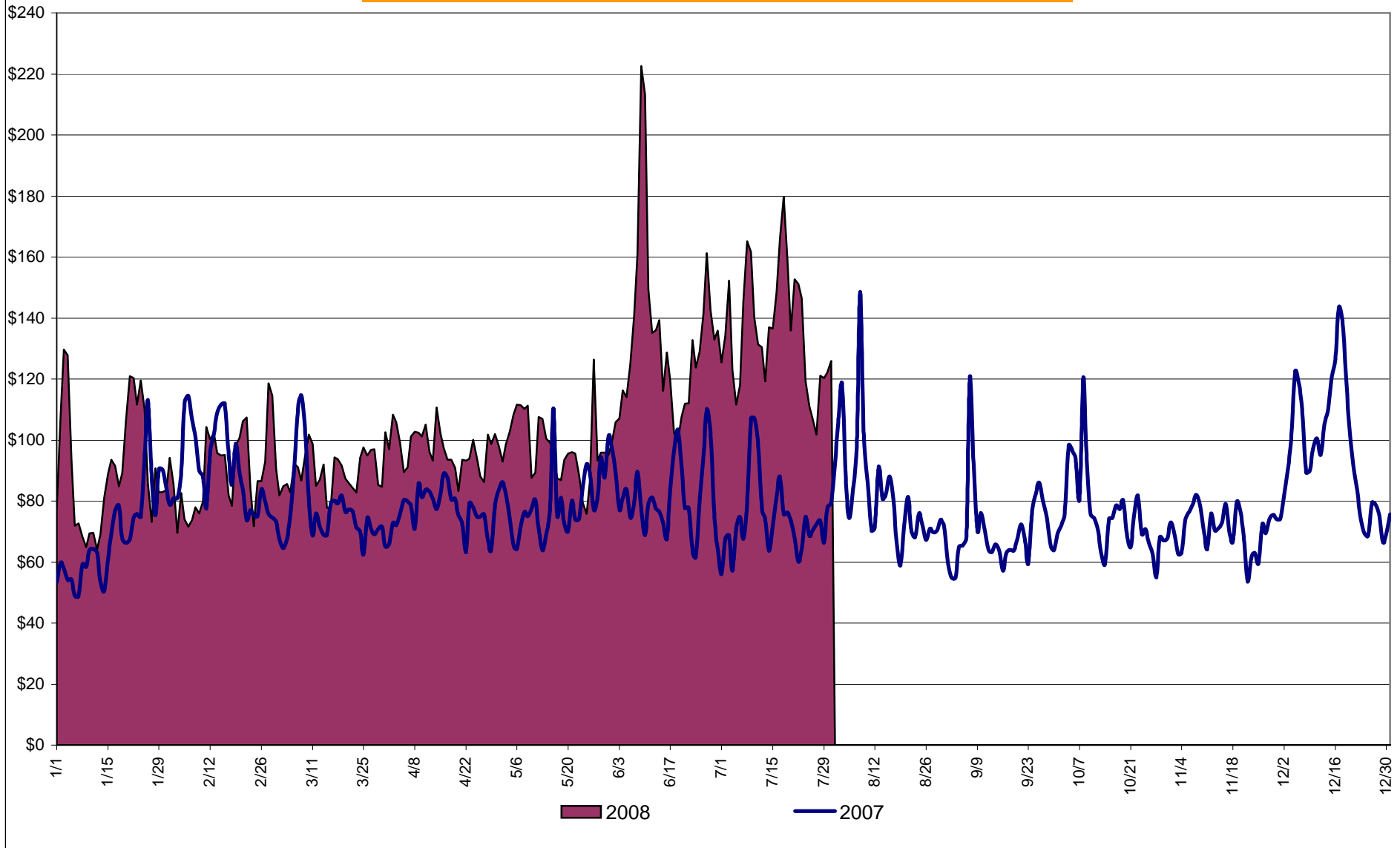
Report Items

- Market Performance Highlights – For Information Only
- Process Review: Enterprise-wide Critical Issue Resolution (Lake Erie Loop Flows)
- NYS Transmission Assessment & Reliability Study
- Leadership & Board Arrangements

Market Performance Highlights for July 2008

- LBMP for July is \$131.33/MWh, up from \$128.17/MWh in June 2008.
 - Average monthly cost is \$137.66/MWh, up from \$136.24/MWh in June 2008.
 - Day Ahead LBMPs increased while Real Time LBMPs decreased from June 2008.
- Average daily sendout is 541GWh/day in July, up from 499GWh/day in June 2008 and higher than the July 2007 amount of 510GWh/day.
- Natural Gas and No 2 Fuel Oil prices are down while No 6 Fuel Oil and Kerosene are up this month.
 - Kerosene is \$29.57/MMBtu, up from \$29.13/MMBtu in June.
 - No. 2 Fuel Oil is \$26.97/MMBtu, down from \$27.16/MMBtu in June.
 - No. 6 Fuel Oil is \$19.79/MMBtu, up from \$18.86/MMBtu in June.
 - Natural Gas is \$12.30/MMBtu, down from \$13.69/MMBtu in June.
- Uplift information is the following:
 - Total uplift (Schedule 1 components including NYISO Cost of Operations) decreased from \$97.3 million in June 2008 to \$77.1 million in July 2008. \$14.1 million of the total is from TSA allocations. This is charged to loads within the New York City service area.
 - Uplift (not including NYISO cost of operations) is \$3.56/MWh, down from \$5.50/MWh in June 2008.

Daily NYISO Average Cost/MWh (Energy & Ancillary Services)*
2007 Annual Average \$80.29/MWh
July 2007 YTD Average \$79.84/MWh
July 2008 YTD Average \$108.19/MWh



* Excludes ICAP payments.

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

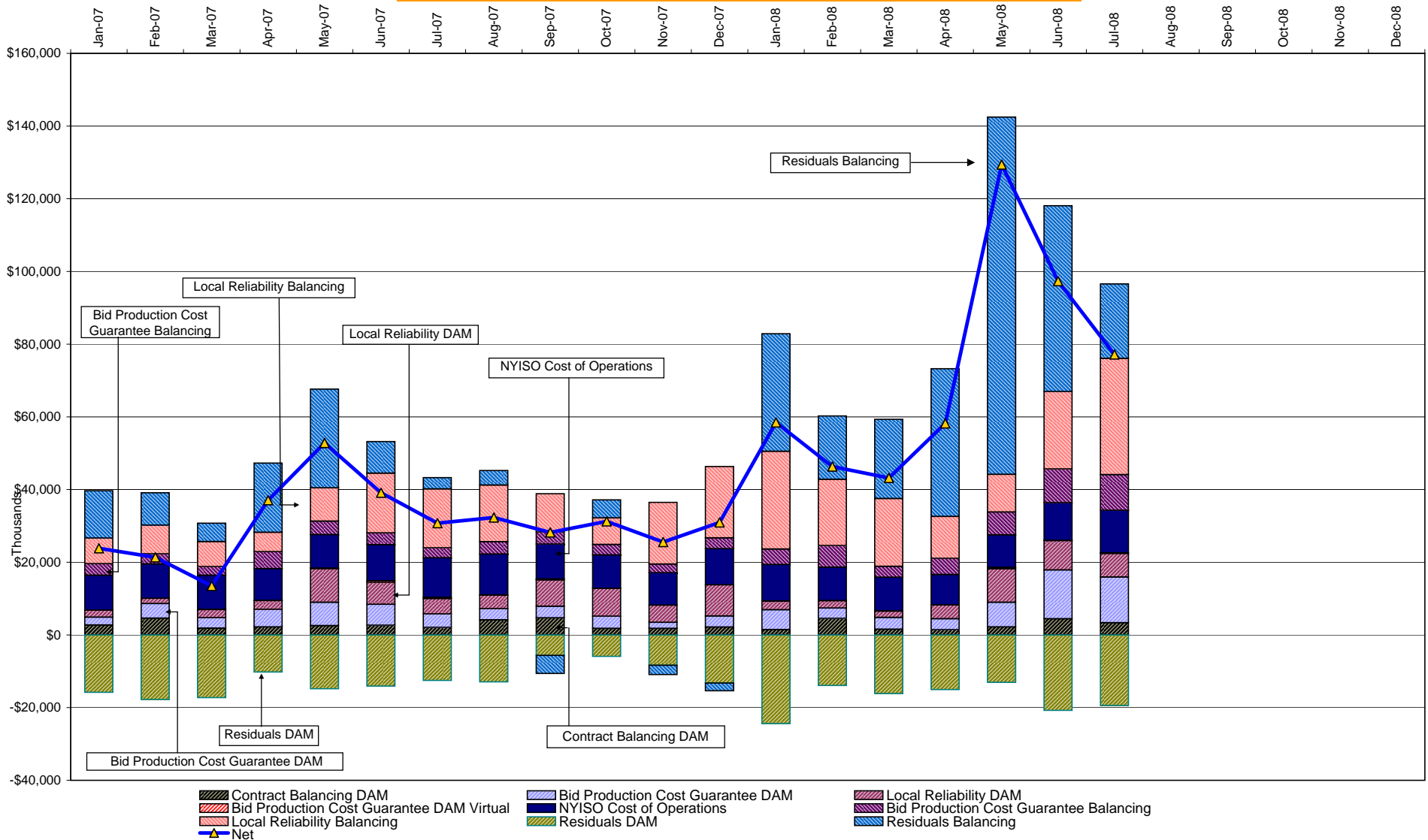
2008	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
LBMP	86.98	85.69	85.21	90.91	87.18	128.17	131.33					
NTAC	0.35	0.43	0.41	0.62	0.48	0.78	1.04					
Reserve	0.38	0.48	0.55	0.47	0.34	0.27	0.28					
Regulation	0.54	0.57	0.61	0.54	0.50	0.52	0.44					
NYISO Cost of Operations	0.63	0.63	0.63	0.63	0.63	0.63	0.63					
Uplift	3.06	2.57	2.31	3.80	8.52	5.50	3.56					
Voltage Support and Black Start	0.38	0.38	0.38	0.38	0.38	0.38	0.38					
Avg Monthly Cost	92.31	90.75	90.11	97.34	98.03	136.24	137.66					
Avg YTD Cost	92.31	91.57	91.09	92.55	93.60	101.54	108.19					

2007	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
LBMP	67.23	89.14	75.09	73.14	75.28	79.28	73.10	81.50	68.22	73.49	67.46	93.44
NTAC	0.46	0.56	0.57	0.53	0.58	0.74	0.51	0.34	0.44	0.33	0.69	1.00
Reserve	0.43	0.23	0.34	0.36	0.28	0.23	0.21	0.13	0.11	0.29	0.31	0.25
Regulation	0.46	0.47	0.55	0.35	0.37	0.43	0.39	0.36	0.41	0.52	0.65	0.69
NYISO Cost of Operations	0.66	0.66	0.66	0.66	0.66	0.66	0.66	0.66	0.66	0.66	0.66	0.66
Uplift	1.00	0.88	0.29	2.14	3.08	1.96	1.21	1.29	1.26	1.62	1.26	1.35
Voltage Support and Black Start	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34
Avg Monthly Cost	70.57	92.29	77.85	77.52	80.59	83.65	76.41	84.62	71.43	77.24	71.37	97.73
Avg YTD Cost	70.57	81.65	80.36	79.68	79.86	80.51	79.84	80.55	79.57	79.36	78.70	80.29

* Excludes ICAP payments.

These numbers reflect the rebilling of prior periods.

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 consist of both energy and loss revenue collections and payments. By design, there is a net over collection of revenues due to the difference between the marginal losses paid to generation and the average losses charged to loads.

NYISO Markets Transactions

2008	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
Day Ahead Market MWh	14,984,732	13,722,512	13,744,999	12,645,499	13,325,474	15,365,697	17,761,482					
DAM LSE Internal LBMP Energy Sales	42%	42%	45%	48%	42%	45%	47%					
DAM External TC LBMP Energy Sales	9%	7%	5%	4%	6%	5%	8%					
DAM Bilateral - Internal Bilaterals	43%	43%	43%	40%	45%	43%	39%					
DAM Bilateral - Import/Non-LBMP Market Bilaterals	5%	5%	5%	5%	4%	4%	4%					
DAM Bilateral - Export/Non-LBMP Market Bilaterals	1%	1%	1%	2%	2%	2%	1%					
DAM Bilateral - Wheel Through Bilaterals	0%	1%	1%	1%	1%	1%	1%					
Balancing Energy Market MWh	918,715	806,490	975,279	617,058	904,576	1,111,429	831,789					
Balancing Energy LSE Internal LBMP Energy Sales	24%	48%	15%	-29%	2%	35%	47%					
Balancing Energy External TC LBMP Energy Sales	68%	49%	81%	121%	98%	56%	53%					
Balancing Energy Bilateral - Internal Bilaterals	6%	1%	3%	5%	-2%	5%	3%					
Balancing Energy Bilateral - Import/Non-LBMP Market Bilaterals	0%	0%	0%	0%	0%	0%	0%					
Balancing Energy Bilateral - Export/Non-LBMP Market Bilaterals	0%	0%	0%	0%	0%	0%	0%					
Balancing Energy Bilateral - Wheel Through Bilaterals	2%	1%	1%	2%	2%	5%	-2%					
Transactions Summary												
LBMP	53%	52%	53%	55%	52%	53%	57%					
Internal Bilaterals	41%	41%	41%	38%	42%	40%	37%					
Import Bilaterals	5%	5%	4%	5%	4%	4%	4%					
Export Bilaterals	1%	1%	1%	2%	2%	2%	1%					
Wheels Through	0%	1%	1%	1%	1%	1%	1%					
Market Share of Total Load												
Day Ahead Market	94.2%	94.4%	93.4%	95.3%	93.6%	93.3%	95.5%					
Balancing Energy +	5.8%	5.6%	6.6%	4.7%	6.4%	6.7%	4.5%					
Total MWh	15,903,447	14,529,002	14,720,278	13,262,557	14,230,050	16,477,126	18,593,271					
Average Daily Energy Sendout/Month GWh	456	455	432	406	403	499	541					
2007	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
Day Ahead Market MWh	14,164,585	13,771,553	13,677,039	12,880,994	13,514,244	14,692,700	16,038,367	16,703,812	14,127,144	13,430,445	12,748,392	14,451,609
DAM LSE Internal LBMP Energy Sales	45%	44%	48%	46%	44%	46%	48%	48%	46%	45%	47%	44%
DAM External TC LBMP Energy Sales	4%	7%	4%	6%	6%	4%	4%	5%	4%	2%	2%	5%
DAM Bilateral - Internal Bilaterals	47%	45%	44%	44%	45%	45%	42%	41%	43%	46%	43%	45%
DAM Bilateral - Import/Non-LBMP Market Bilaterals	2%	2%	2%	2%	2%	3%	4%	4%	5%	6%	6%	5%
DAM Bilateral - Export/Non-LBMP Market Bilaterals	1%	1%	1%	1%	2%	1%	1%	1%	1%	1%	2%	1%
DAM Bilateral - Wheel Through Bilaterals	1%	1%	1%	1%	2%	1%	1%	1%	1%	1%	1%	0%
Balancing Energy Market MWh	436,345	630,212	626,488	471,340	563,349	443,615	515,326	469,749	506,866	579,078	819,666	709,510
Balancing Energy LSE Internal LBMP Energy Sales	51%	49%	43%	33%	71%	85%	58%	47%	84%	45%	36%	39%
Balancing Energy External TC LBMP Energy Sales	56%	59%	58%	68%	33%	25%	58%	62%	34%	61%	63%	54%
Balancing Energy Bilateral - Internal Bilaterals	-1%	-4%	1%	0%	8%	6%	4%	8%	3%	7%	1%	5%
Balancing Energy Bilateral - Import/Non-LBMP Market Bilaterals	0%	0%	0%	0%	4%	6%	1%	0%	0%	1%	0%	0%
Balancing Energy Bilateral - Export/Non-LBMP Market Bilaterals	0%	0%	0%	0%	0%	1%	1%	1%	1%	1%	0%	0%
Balancing Energy Bilateral - Wheel Through Bilaterals	-7%	-4%	-2%	-1%	-15%	-23%	-22%	-18%	-21%	-15%	0%	1%
Transactions Summary												
LBMP	51%	54%	54%	54%	52%	51%	53%	55%	52%	49%	52%	51%
Internal Bilaterals	45%	42%	42%	42%	44%	43%	41%	40%	41%	44%	41%	43%
Import Bilaterals	2%	2%	2%	2%	2%	3%	4%	4%	5%	5%	5%	5%
Export Bilaterals	1%	1%	1%	1%	2%	1%	1%	1%	1%	1%	1%	1%
Wheels Through	1%	1%	1%	1%	1%	1%	0%	0%	0%	0%	1%	0%
Market Share of Total Load												
Day Ahead Market	97.0%	95.6%	95.6%	96.5%	96.0%	97.1%	96.9%	97.3%	96.5%	95.9%	94.0%	95.3%
Balancing Energy +	3.0%	4.4%	4.4%	3.5%	4.0%	2.9%	3.1%	2.7%	3.5%	4.1%	6.0%	4.7%
Total MWh	14,600,930	14,401,765	14,303,527	13,352,334	14,077,594	15,136,315	16,553,693	17,173,561	14,634,010	14,009,523	13,568,057	15,161,119
Average Daily Energy Sendout/Month GWh	449	471	438	414	423	484	510	523	468	436	428	458

+ 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 2008 Energy Statistics

	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
<u>DAY AHEAD LBMP</u>												
Price *	\$83.07	\$82.66	\$83.11	\$89.77	\$89.35	\$121.83	\$125.89					
Standard Deviation	\$28.43	\$22.45	\$17.97	\$19.87	\$23.21	\$41.13	\$38.25					
Load Weighted Price **	\$86.14	\$85.14	\$85.09	\$92.37	\$92.48	\$128.61	\$131.60					
<u>RTC LBMP</u>												
Price *	\$79.46	\$85.91	\$83.81	\$90.48	\$96.21	\$120.88	\$119.78					
Standard Deviation	\$35.00	\$60.79	\$34.42	\$31.97	\$61.32	\$64.44	\$53.84					
Load Weighted Price **	\$81.98	\$88.30	\$85.82	\$92.22	\$99.59	\$127.40	\$123.71					
<u>REAL TIME LBMP</u>												
Price *	\$79.00	\$85.89	\$83.51	\$89.37	\$93.72	\$120.05	\$118.37					
Standard Deviation	\$38.83	\$49.87	\$33.64	\$31.14	\$59.68	\$80.00	\$49.42					
Load Weighted Price **	\$81.97	\$88.72	\$85.68	\$91.31	\$97.50	\$128.95	\$122.64					
Average Daily Energy Sendout/Month GWh	456	455	432	406	403	499	541					

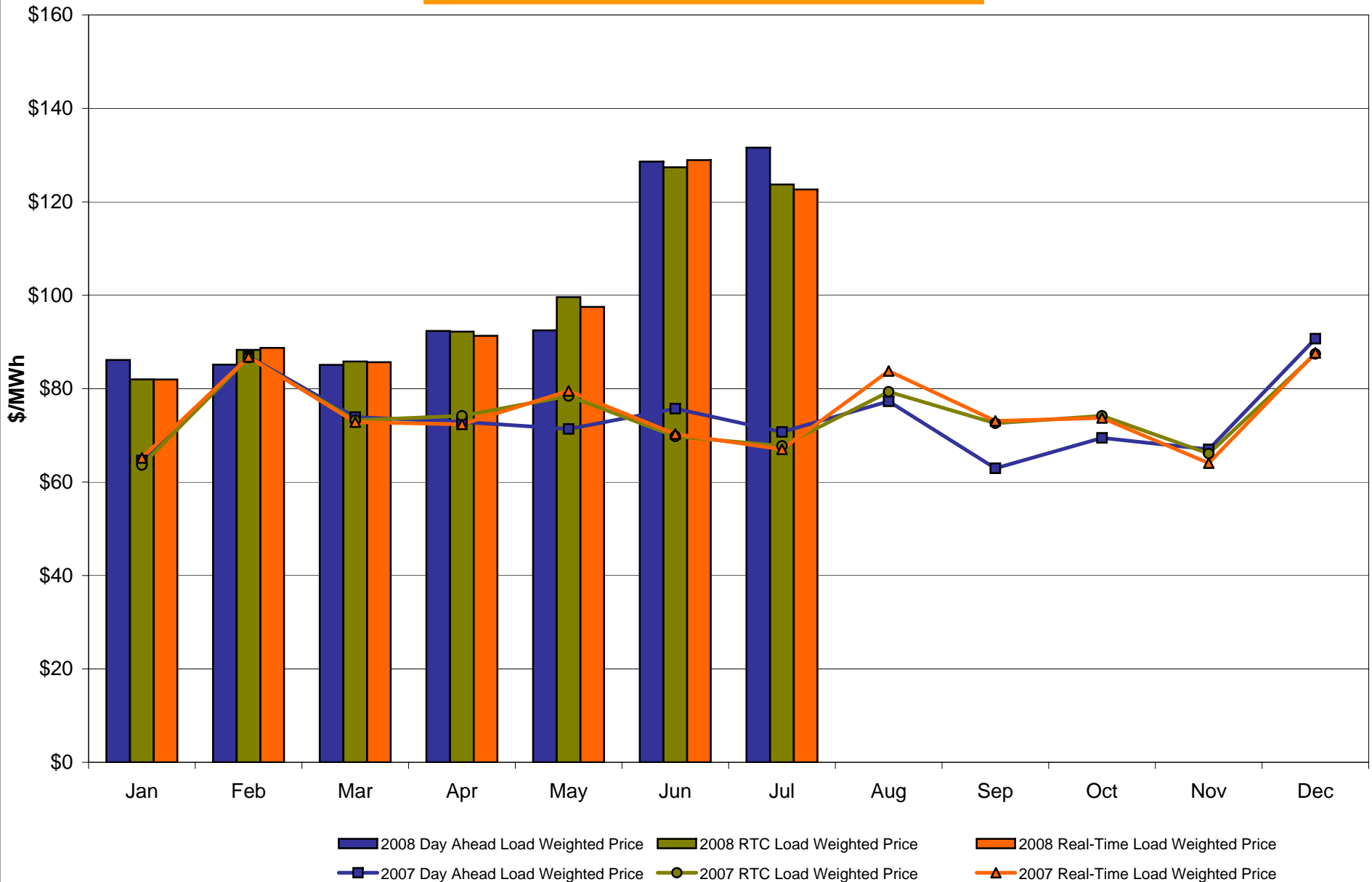
NYISO Markets 2007 Energy Statistics

	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
<u>DAY AHEAD LBMP</u>												
Price *	\$62.20	\$84.73	\$71.75	\$70.56	\$68.38	\$71.78	\$67.05	\$73.24	\$60.14	\$66.23	\$65.01	\$87.50
Standard Deviation	\$21.16	\$21.02	\$19.36	\$18.29	\$19.79	\$23.08	\$22.12	\$24.41	\$17.87	\$21.71	\$15.99	\$29.30
Load Weighted Price **	\$64.61	\$86.87	\$73.90	\$72.88	\$71.37	\$75.73	\$70.73	\$77.30	\$62.95	\$69.45	\$66.99	\$90.70
<u>RTC LBMP</u>												
Price *	\$61.44	\$84.30	\$70.97	\$71.30	\$74.54	\$66.19	\$64.91	\$73.23	\$67.49	\$70.80	\$64.27	\$84.99
Standard Deviation	\$28.08	\$40.04	\$29.30	\$37.47	\$62.84	\$30.91	\$24.66	\$77.17	\$76.02	\$54.01	\$26.78	\$34.52
Load Weighted Price **	\$63.64	\$86.66	\$73.23	\$74.18	\$78.42	\$69.78	\$67.75	\$79.33	\$72.59	\$74.17	\$66.11	\$87.44
<u>REAL TIME LBMP</u>												
Price *	\$62.38	\$84.03	\$70.46	\$69.75	\$74.79	\$65.78	\$63.20	\$75.33	\$65.87	\$69.23	\$62.03	\$84.46
Standard Deviation	\$32.76	\$42.22	\$28.57	\$30.57	\$61.97	\$31.86	\$27.37	\$84.24	\$78.46	\$57.31	\$25.48	\$35.40
Load Weighted Price **	\$65.19	\$86.80	\$72.85	\$72.35	\$79.53	\$70.28	\$67.02	\$83.79	\$73.09	\$73.74	\$64.05	\$87.67
Average Daily Energy Sendout/Month GWh	449	471	438	414	423	484	510	523	468	436	428	458

* Average zonal load weighted prices.

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

NYISO Monthly Average Internal LBMPs 2007 - 2008

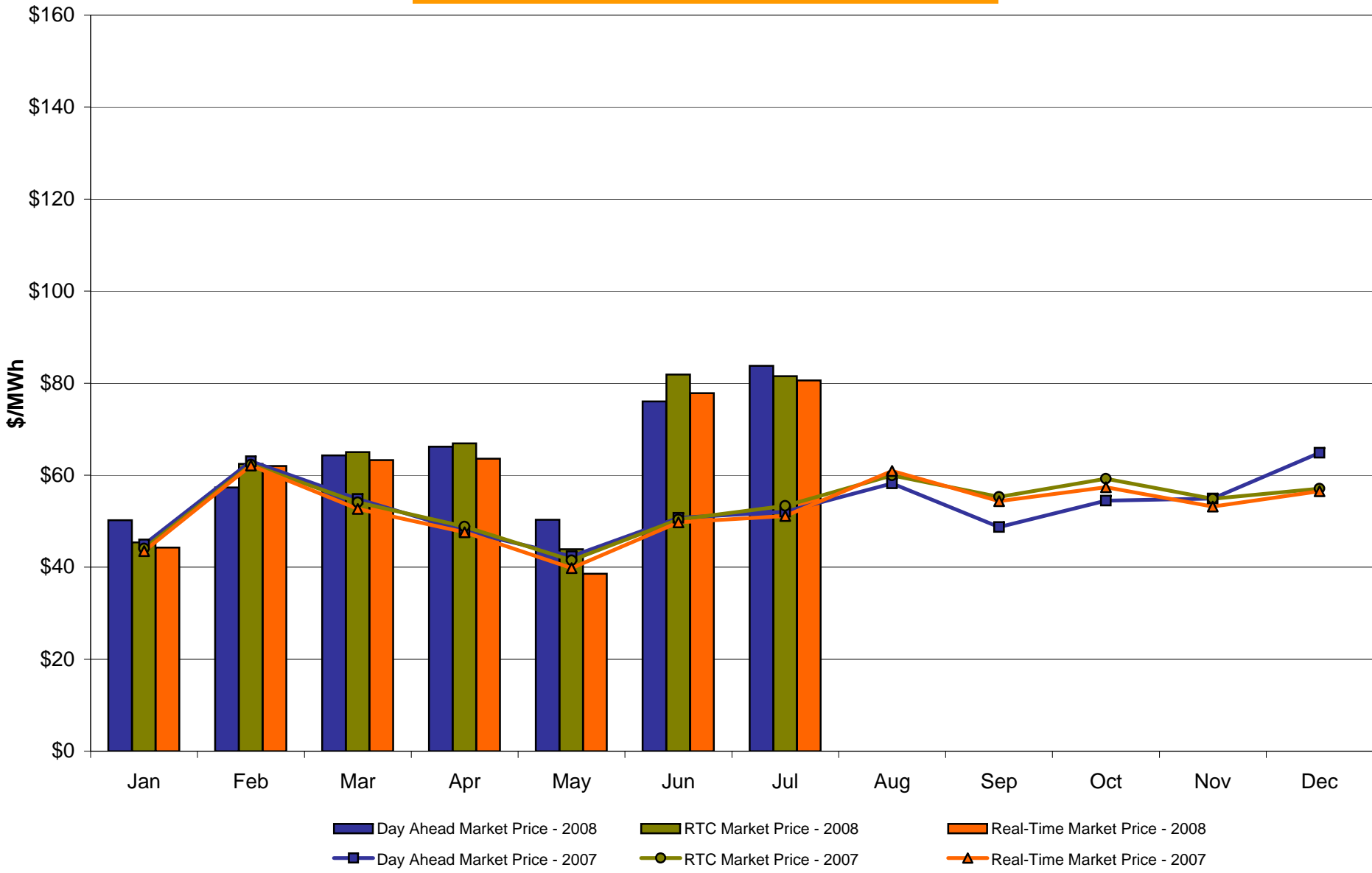


July 2008 Zonal LBMP Statistics for NYISO (\$/MWh)

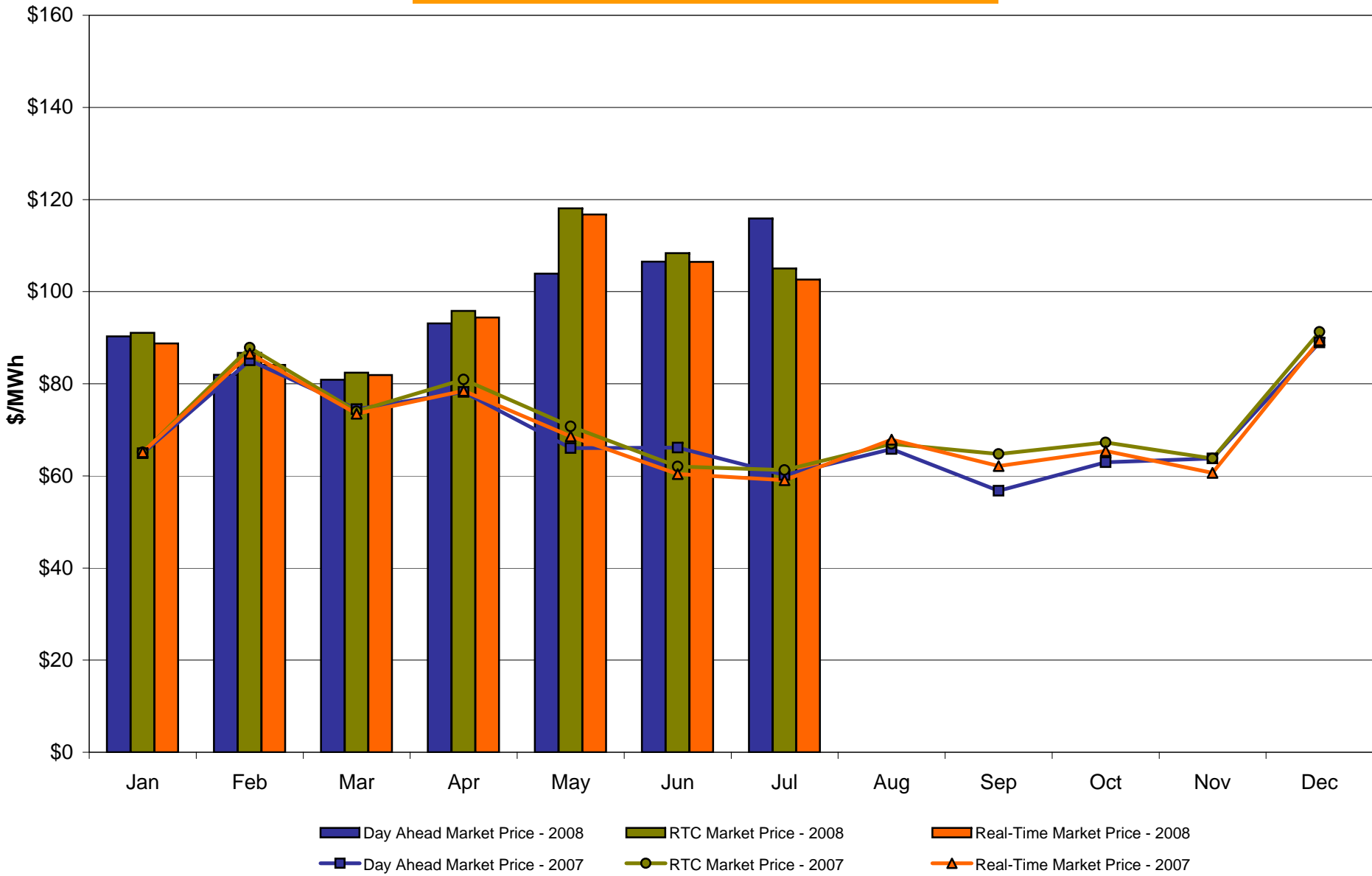
	WEST	GENESEE	NORTH	CENTRAL	MOHAWK	CAPITAL	HUDSON	MILLWOOD	DUNWOODIE	NEW YORK	LONG
	<u>Zone A</u>	<u>Zone B</u>	<u>Zone D</u>	<u>Zone C</u>	<u>Zone E</u>	<u>Zone F</u>	<u>Zone G</u>	<u>Zone H</u>	<u>Zone I</u>	<u>Zone J</u>	<u>Zone K</u>
<u>DAY AHEAD LBMP</u>											
Unweighted Price *	83.76	89.37	89.67	94.09	97.89	115.88	127.98	131.76	132.23	147.73	144.27
Standard Deviation	22.52	24.34	20.42	23.52	24.39	29.79	42.48	47.79	48.03	48.38	50.92
<u>RTC LBMP</u>											
Unweighted Price *	81.51	85.85	84.62	89.19	92.95	105.03	119.47	122.30	122.70	145.04	130.73
Standard Deviation	75.23	79.03	84.80	78.90	77.51	77.49	62.80	68.63	70.66	73.45	50.93
<u>REAL TIME LBMP</u>											
Unweighted Price *	80.60	84.73	84.70	87.93	91.98	102.61	119.40	122.17	122.63	143.21	130.05
Standard Deviation	66.81	70.37	69.50	71.24	69.22	71.94	59.48	64.29	66.04	67.69	48.43
	ONTARIO	HYDRO	HYDRO		NEW	CROSS	NORTHPORT-				
	IESO	QUEBEC	QUEBEC	PJM	ENGLAND	SOUND	NORWALK	NEPTUNE			
		(Wheel)	(Import/Export)			CABLE					
	<u>Zone O</u>	<u>Zone M</u>	<u>Zone M</u>	<u>Zone P</u>	<u>Zone N</u>	<u>Controllable</u>	<u>Controllable</u>	<u>Controllable</u>			
						<u>Line</u>	<u>Line</u>	<u>Line</u>			
<u>DAY AHEAD LBMP</u>											
Unweighted Price *	80.37	90.48	87.30	112.91	120.20	144.28	142.43	141.45			
Standard Deviation	21.09	20.44	19.57	39.75	33.64	50.66	49.89	50.34			
<u>RTC LBMP</u>											
Unweighted Price *	79.79	80.19	52.22	104.42	105.03	120.20	119.25	119.15			
Standard Deviation	34.21	68.48	122.19	86.30	31.98	62.33	62.53	63.87			
<u>REAL TIME LBMP</u>											
Unweighted Price *	78.23	82.74	69.54	101.90	106.20	123.32	122.47	122.34			
Standard Deviation	57.04	60.75	59.30	103.25	44.46	60.32	60.43	61.36			

* Straight LBMP averages

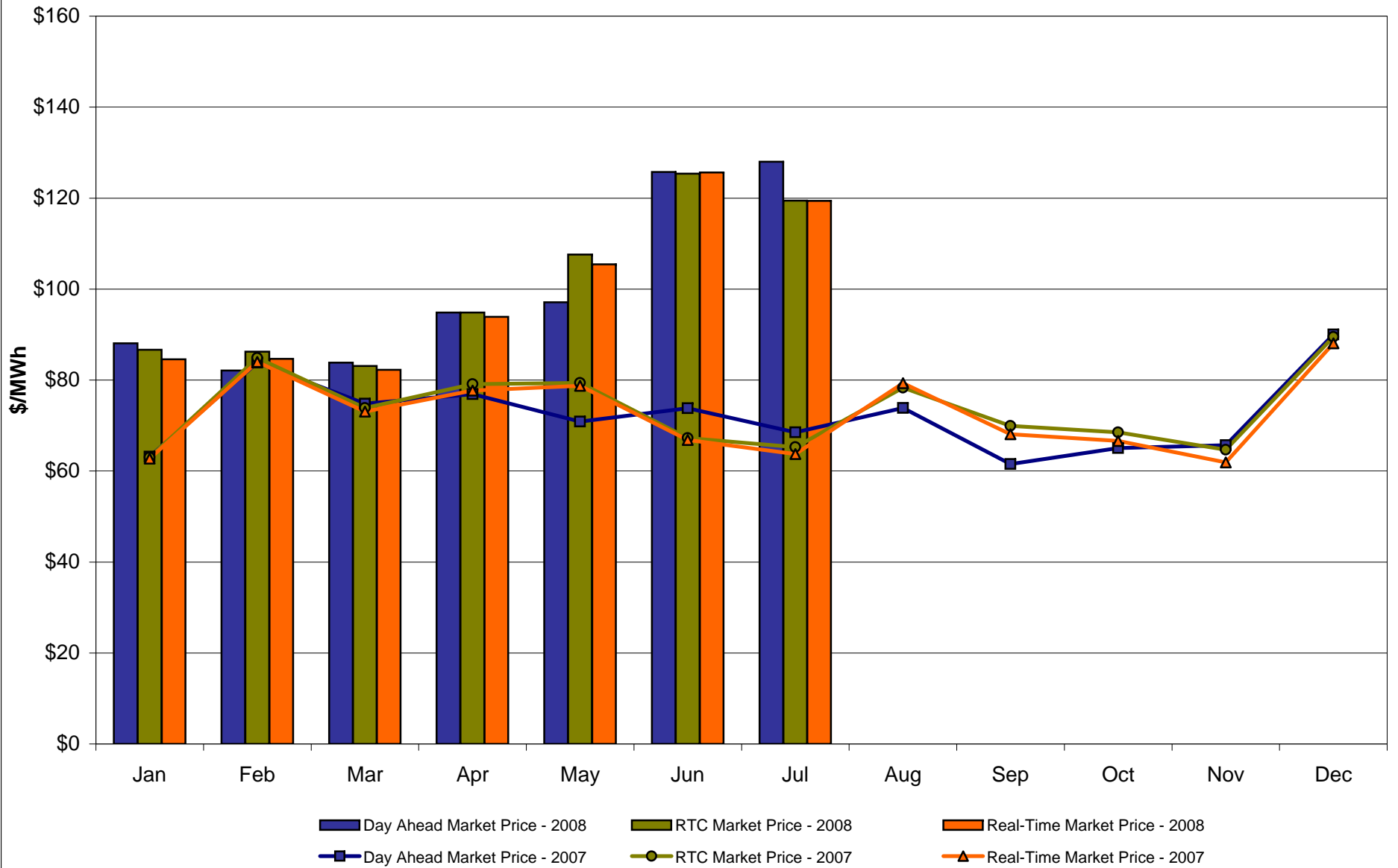
West Zone A Monthly Average LBMP Prices 2007 - 2008



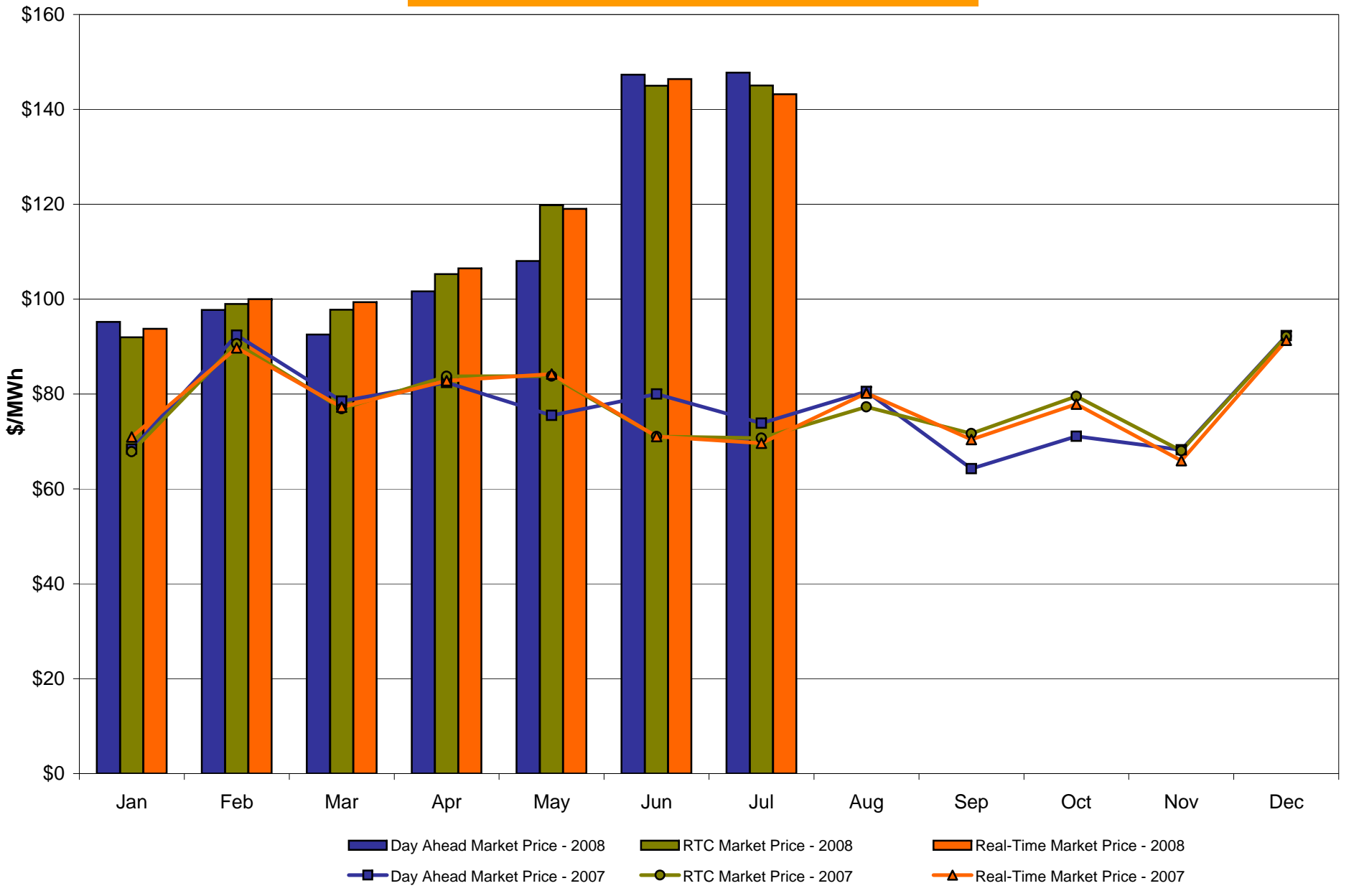
Capital Zone F Monthly Average LBMP Prices 2007 - 2008



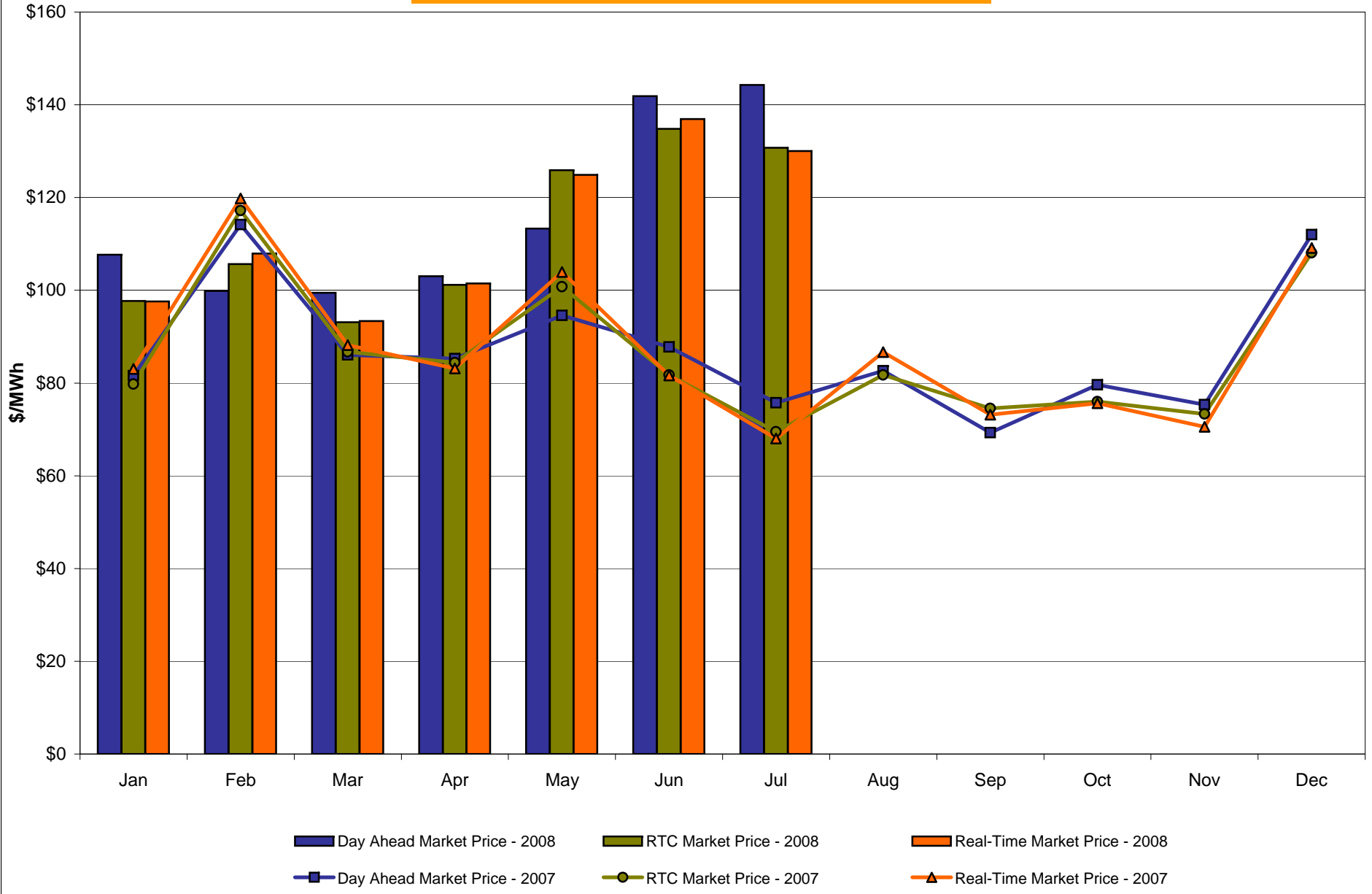
Hudson Valley Zone G Monthly Average LBMP Prices 2007 - 2008



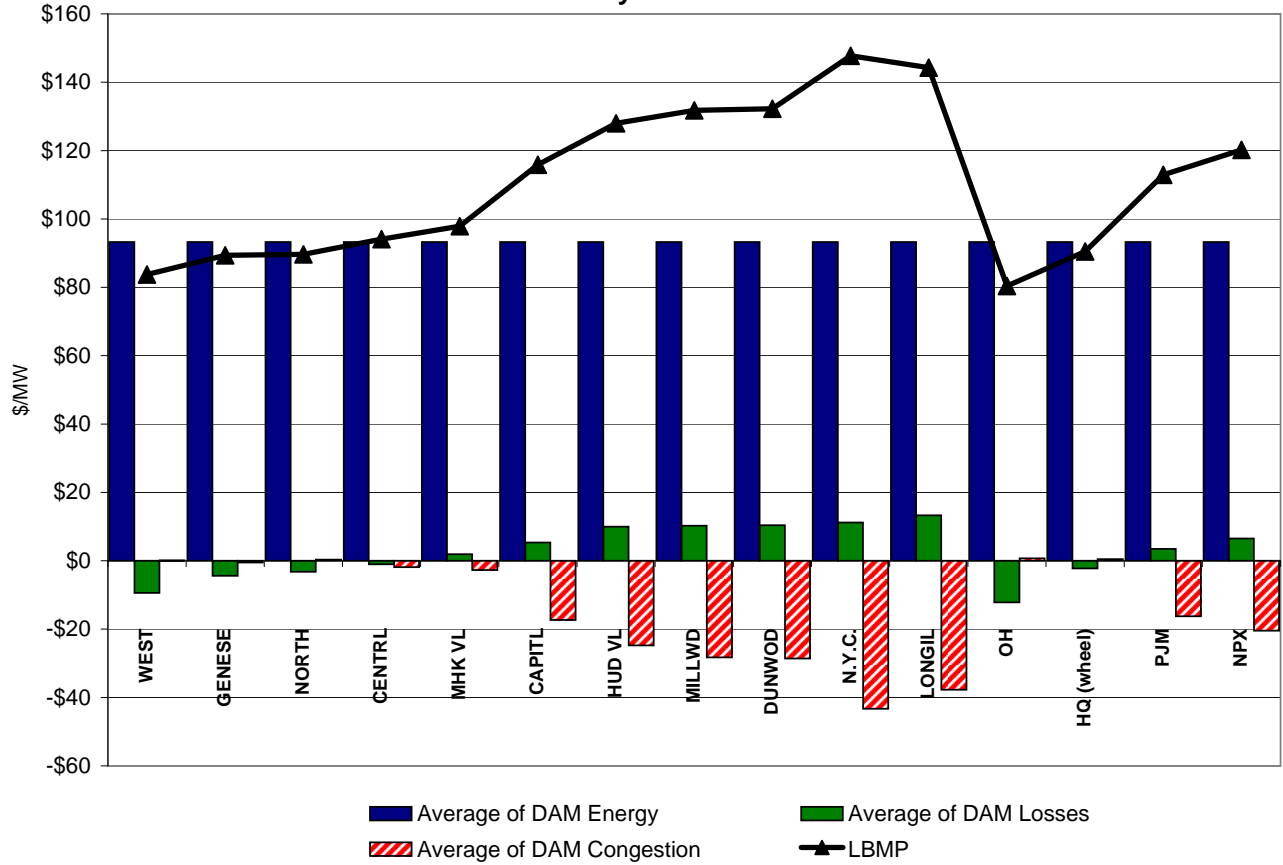
NYC Zone J Monthly Average LBMP Prices 2007 - 2008



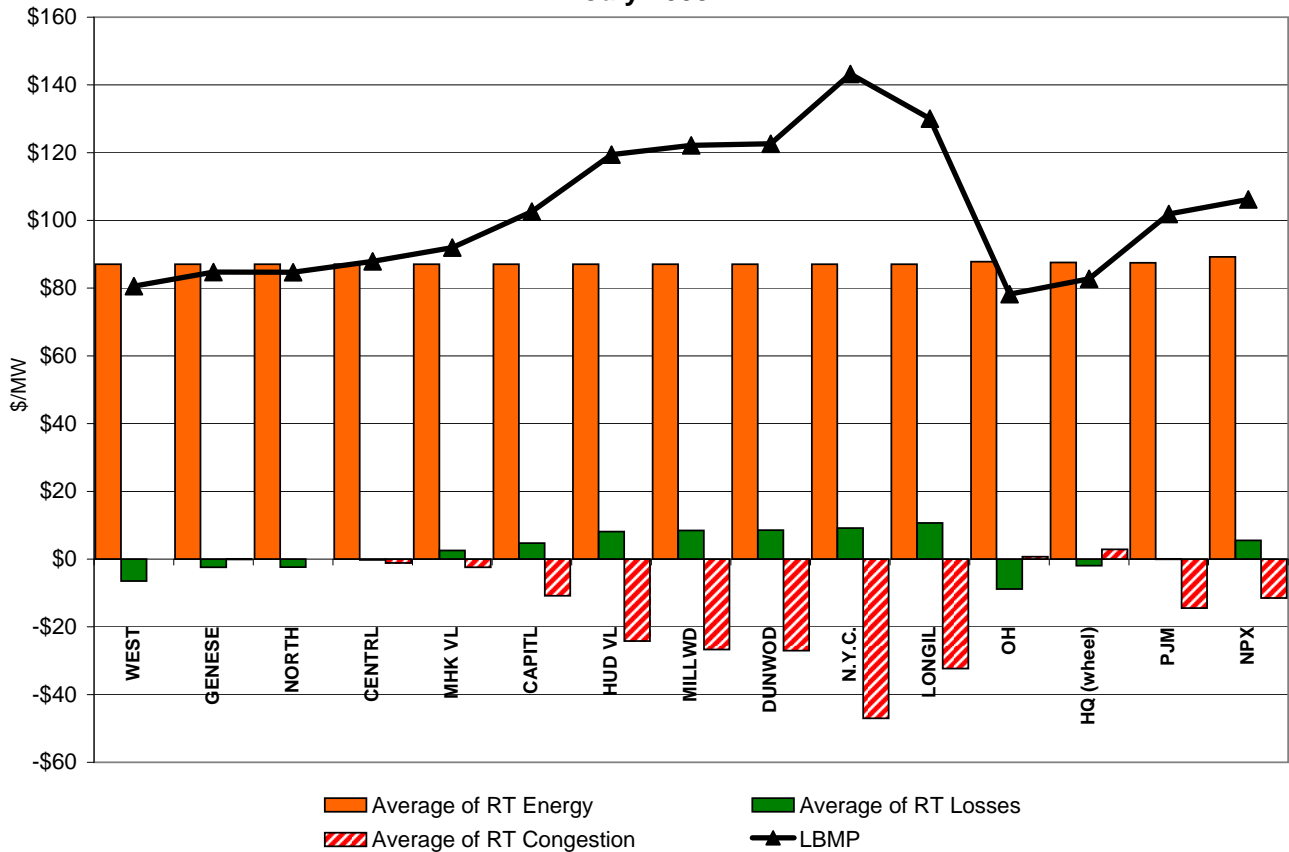
Long Island Zone K Monthly Average LBMP Prices 2007 - 2008



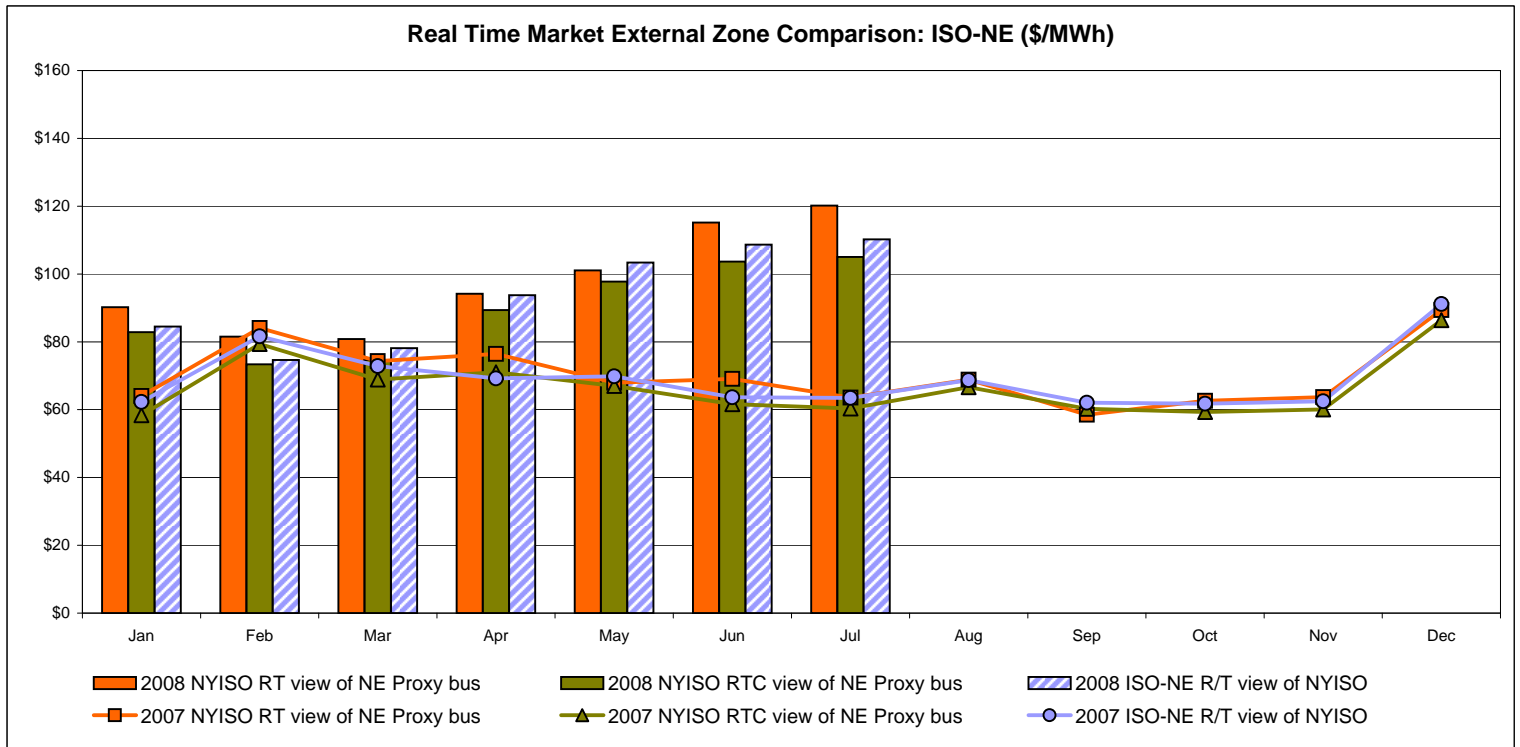
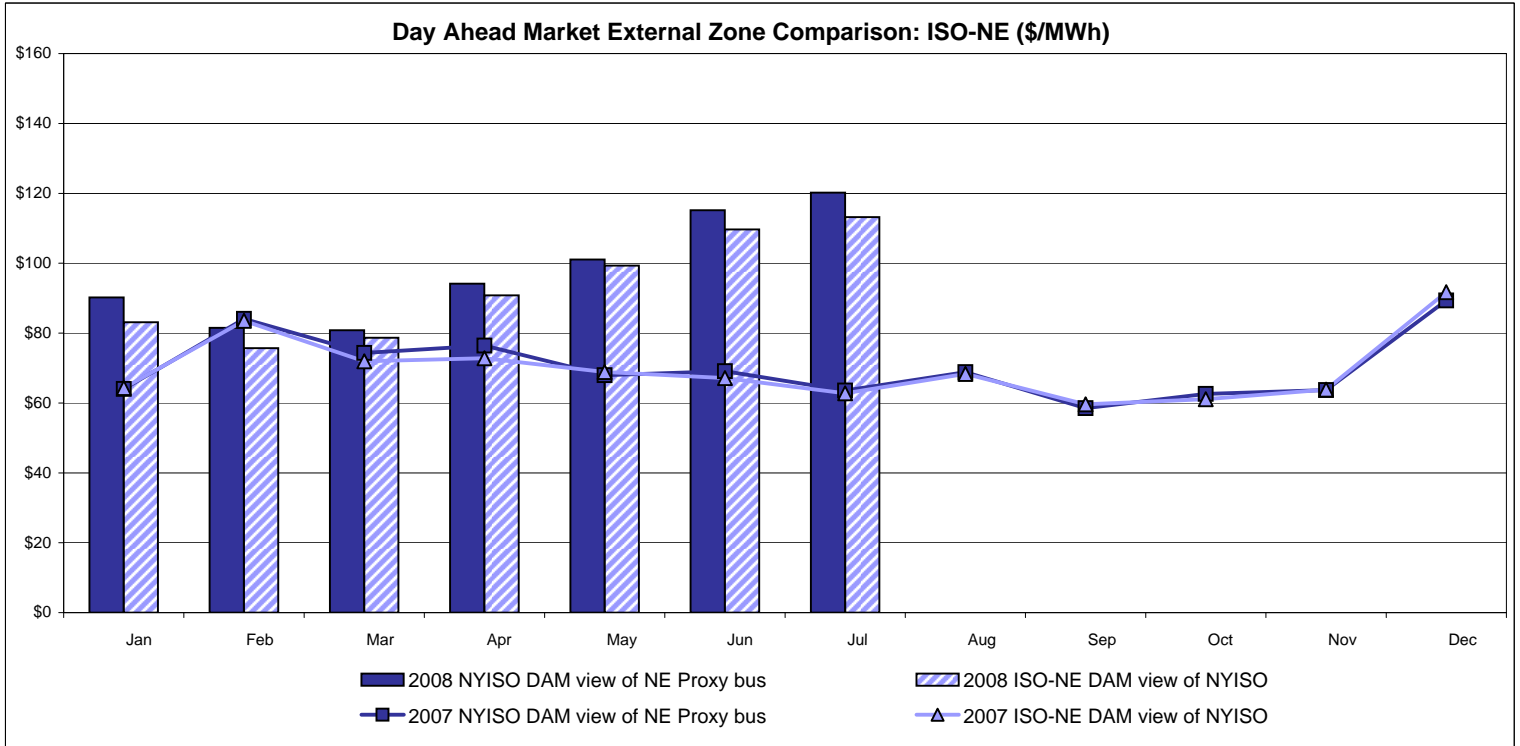
**DAM Zonal Unweighted Monthly Average LBMP Components
July 2008**



**RT Zonal Unweighted Monthly Average LBMP Components
July 2008**



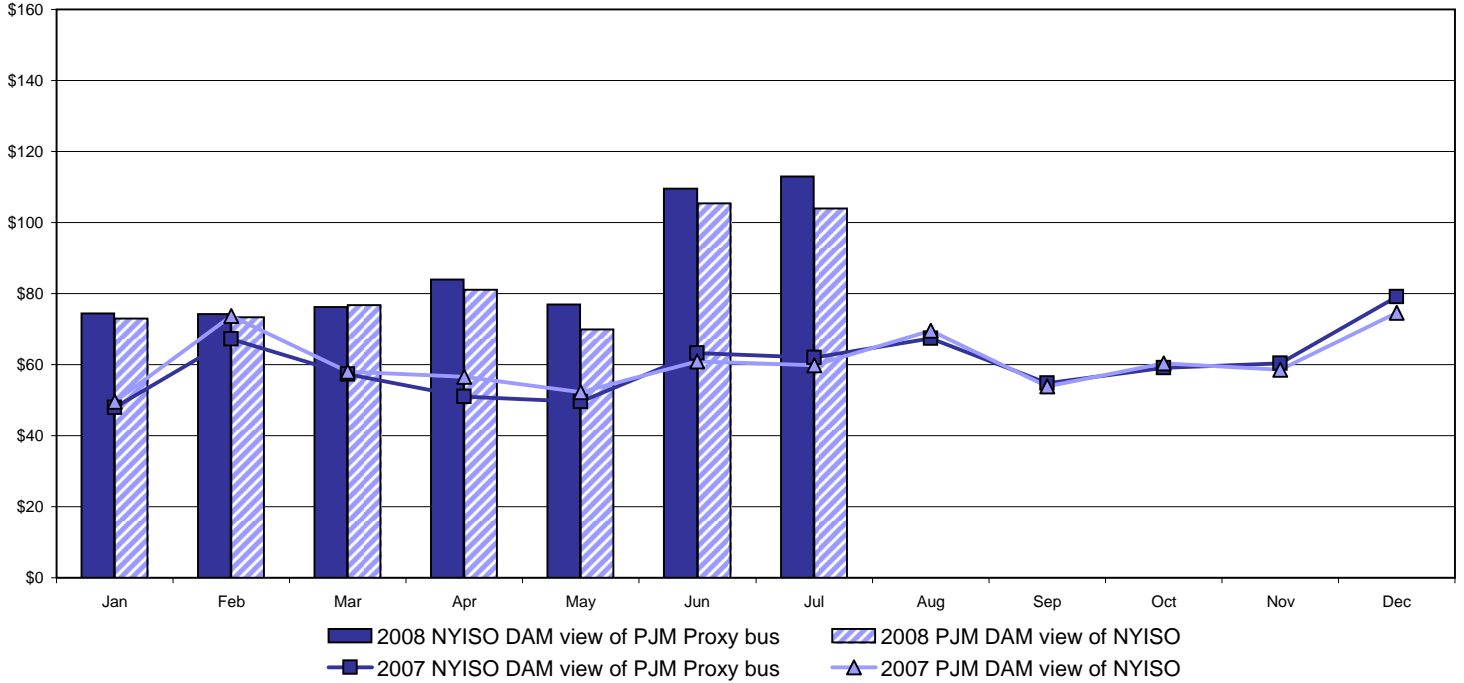
External Comparison ISO-New England



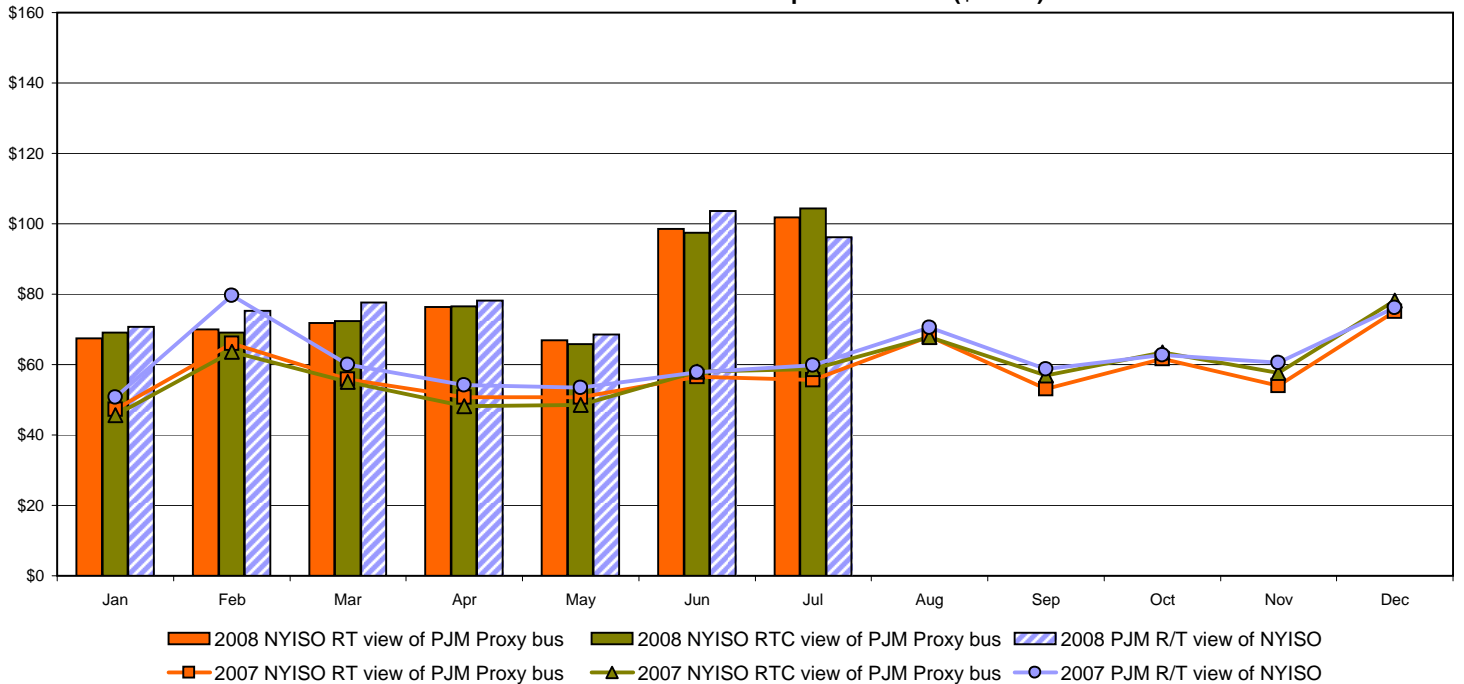
Note:
 ISO-NE Forecast is an advisory posting @ 18:00 day before.
 The DAM and R/T prices at the Roseton interface are used for ISO-NE.
 The DAM and R/T prices at the SandyPond interface are used for NYISO.

External Comparison PJM

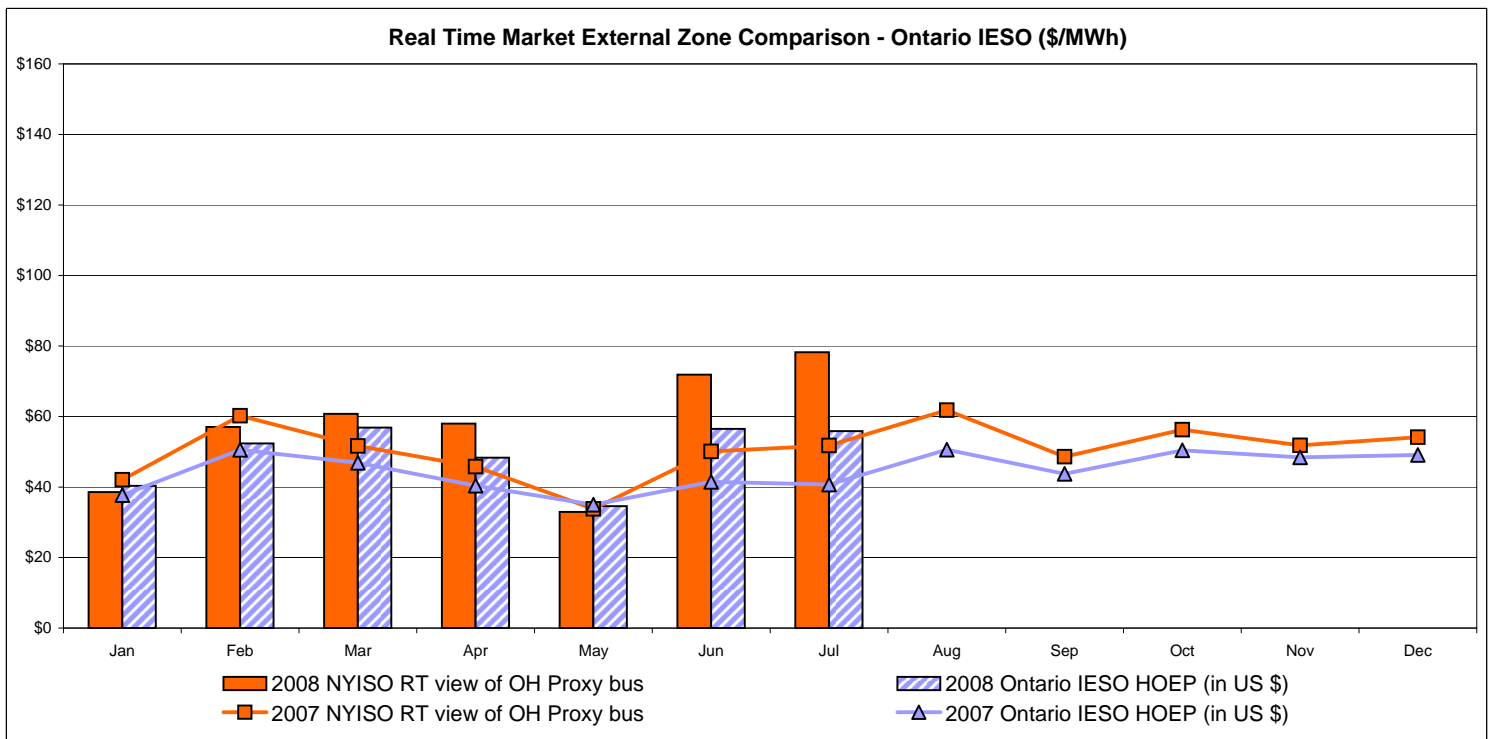
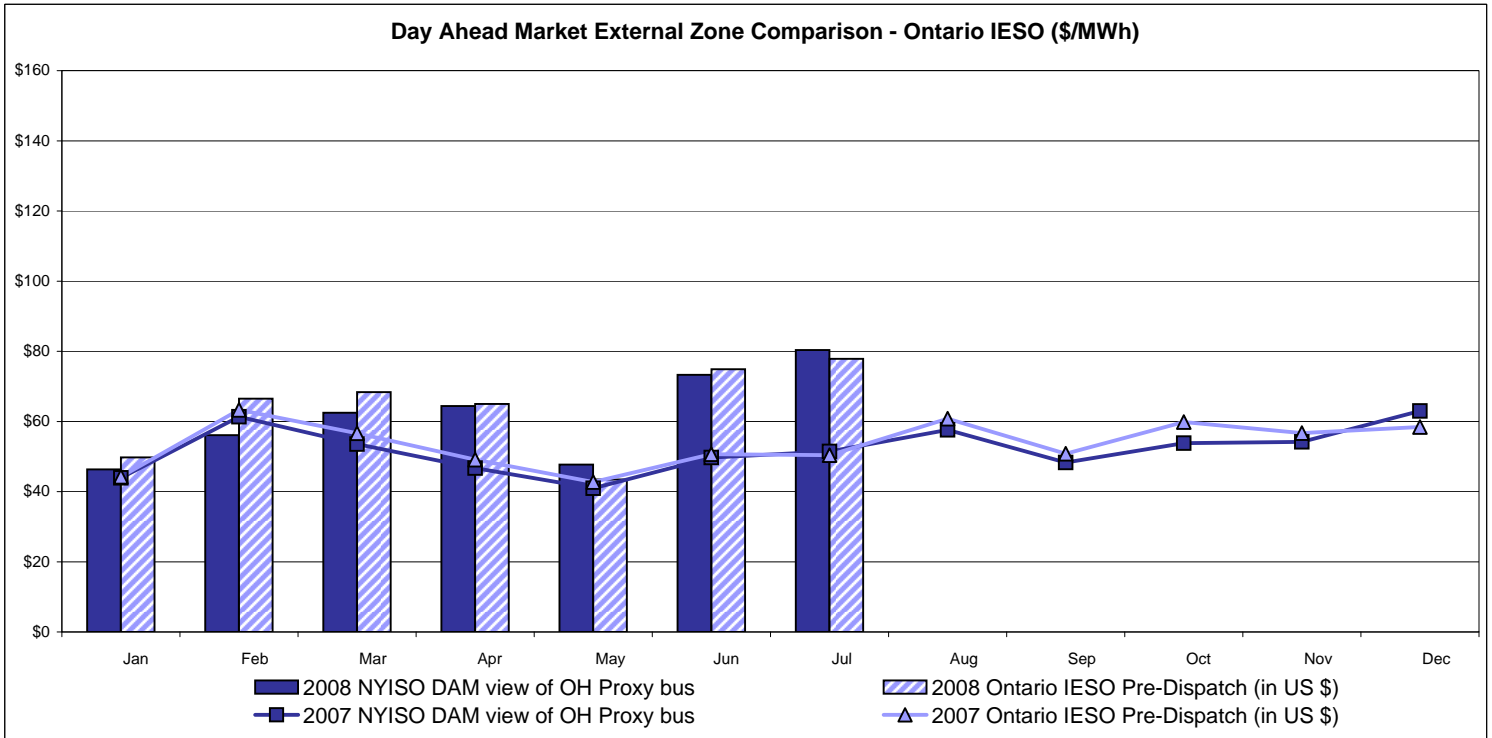
Day Ahead Market External Zone Comparison - PJM (\$/MWh)



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

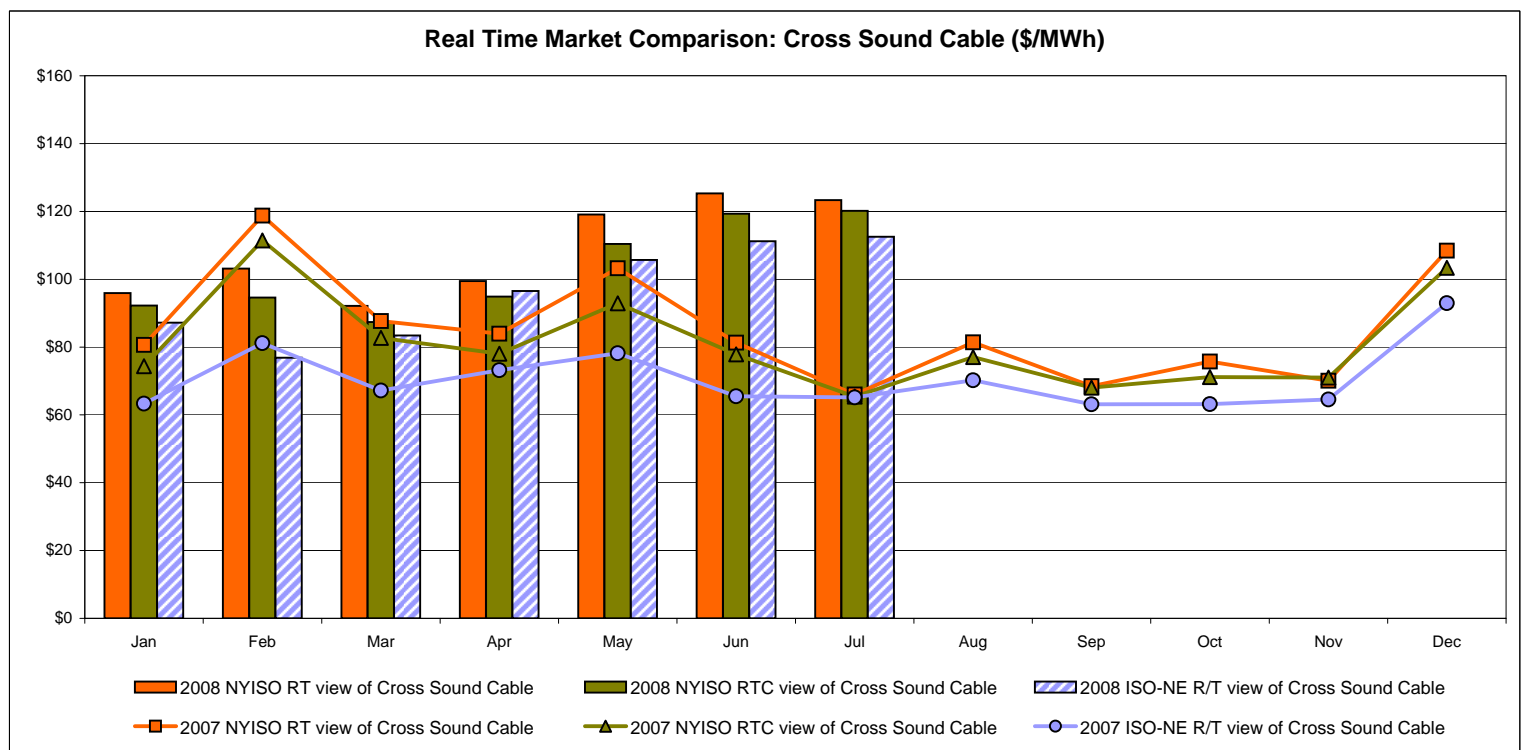
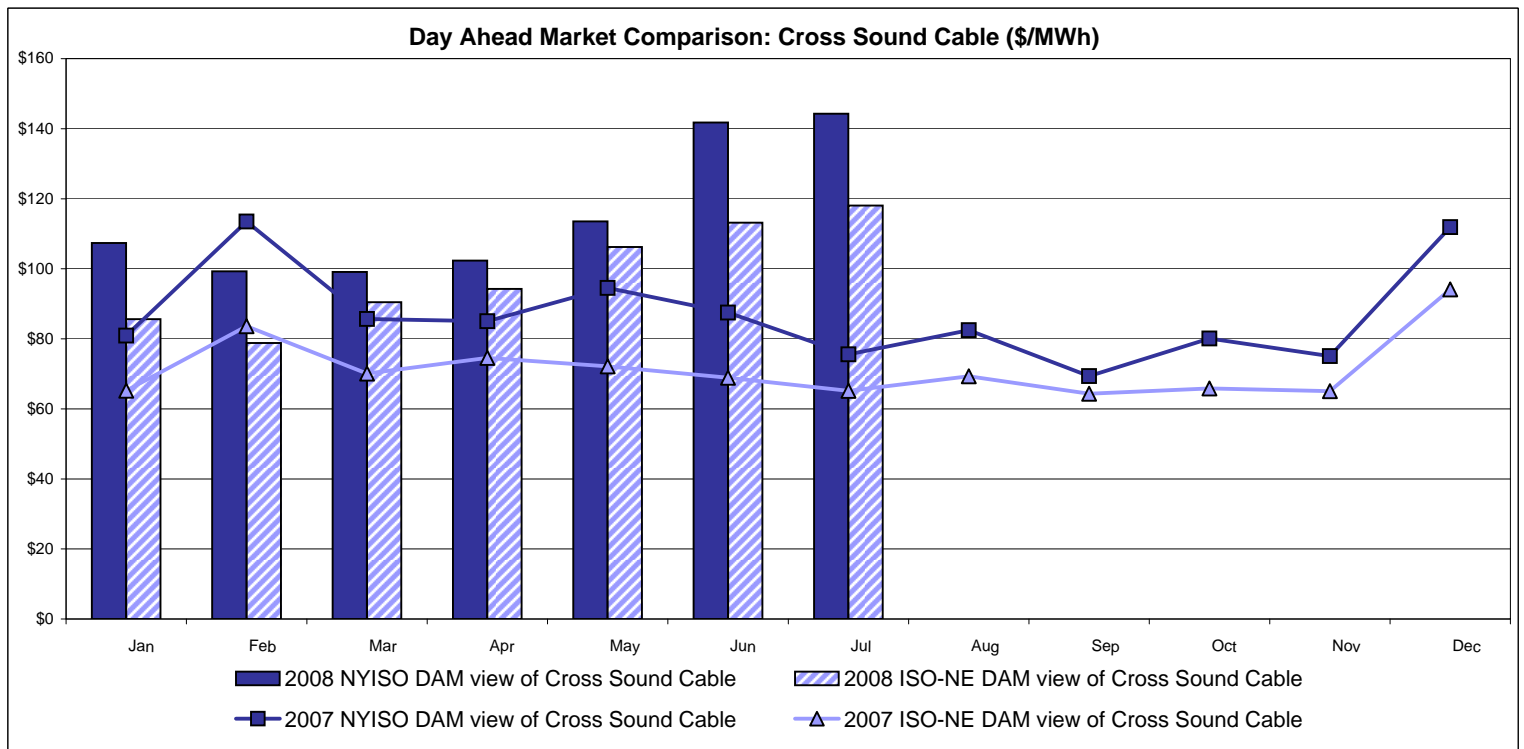


External Comparison Ontario IESO



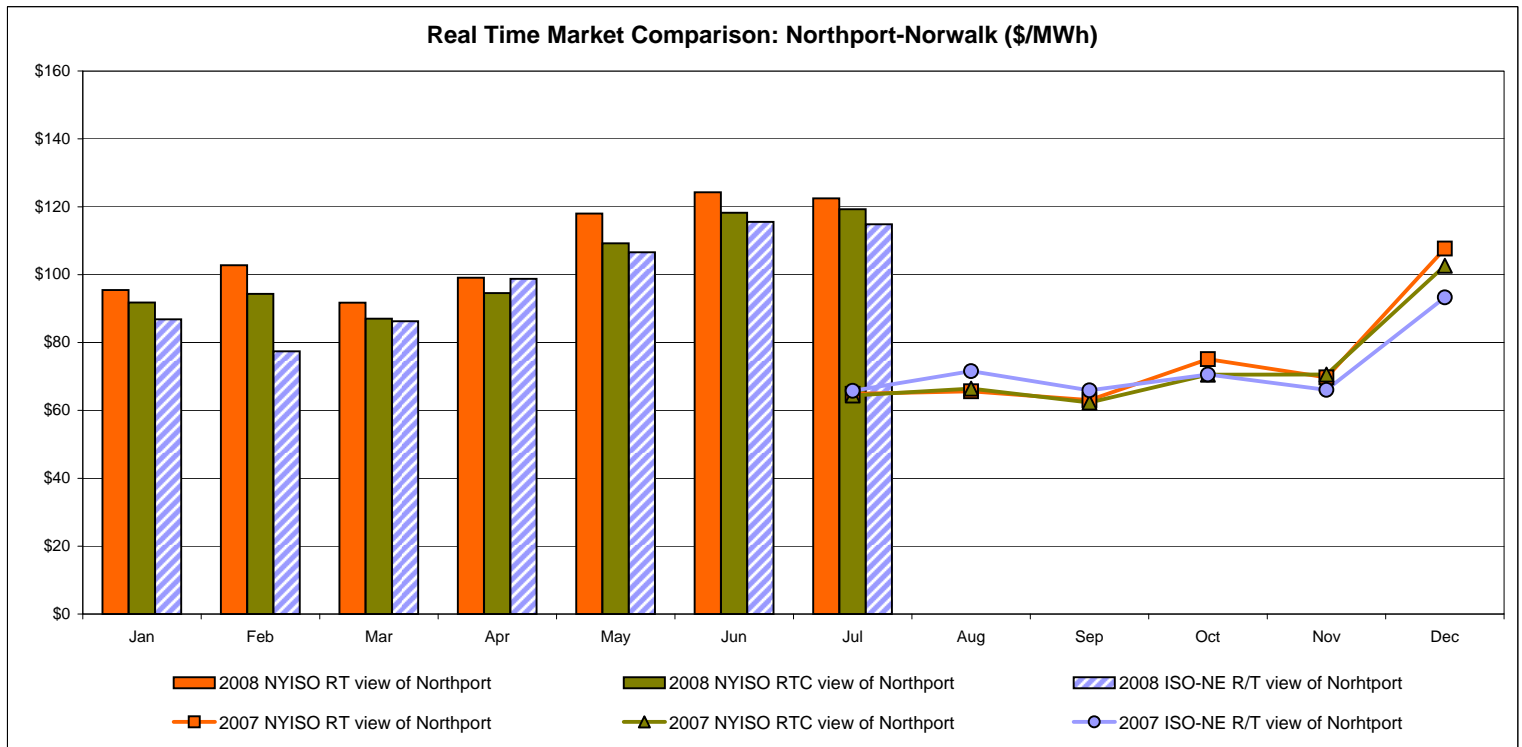
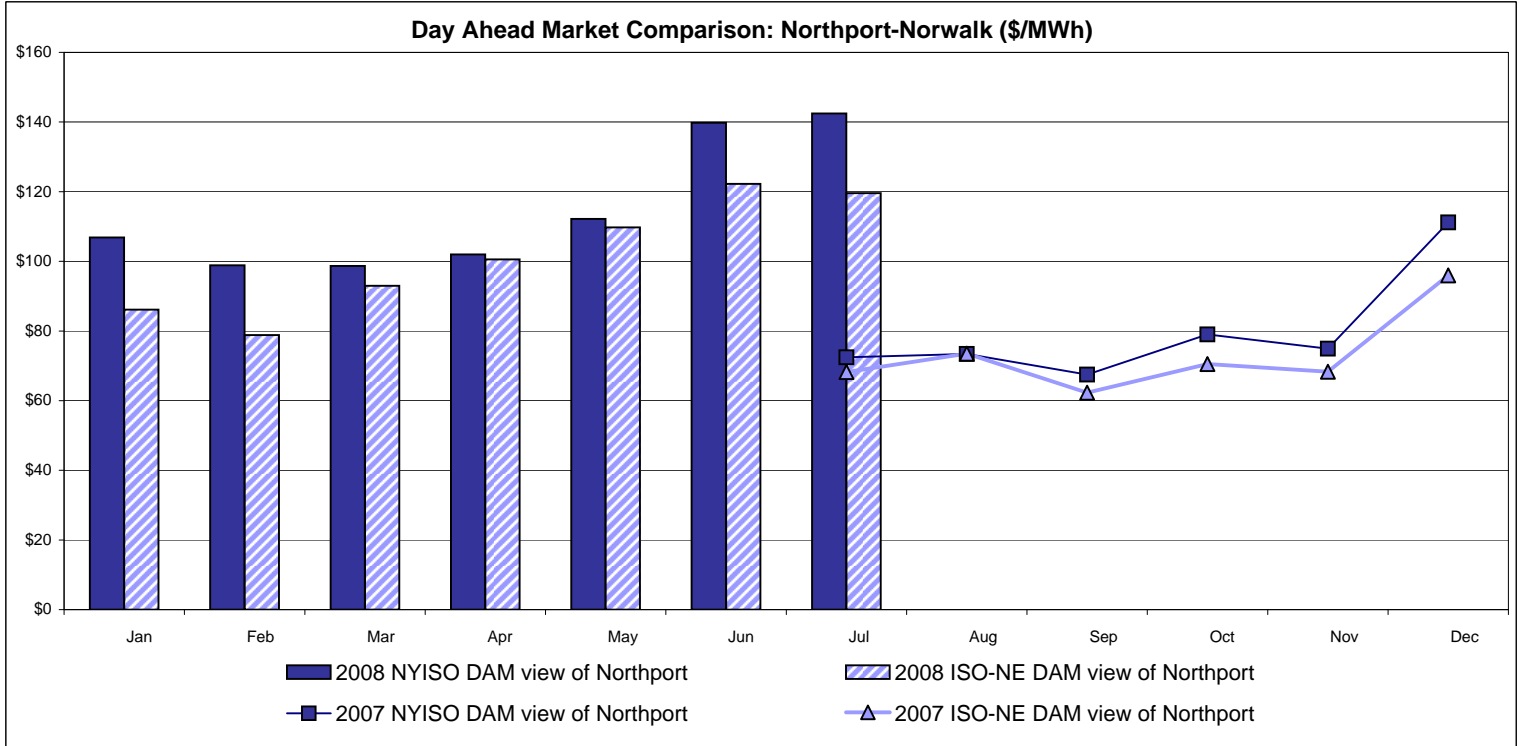
Notes: Exchange factor used for July 2008 was .99 to US \$
 HOEP: Hourly Ontario Energy Price
 Pre-Dispatch: Projected Energy Price

External Controllable Line: Cross Sound Cable (New England)



Note:
 ISO-NE Forecast is an advisory posting @ 18:00 day before.
 The DAM and R/T prices at the Shorham138 99 interface are used for ISO-NE.
 The DAM and R/T prices at the CSC interface are used for NYISO.

External Controllable Line: Northport - Norwalk (New England)

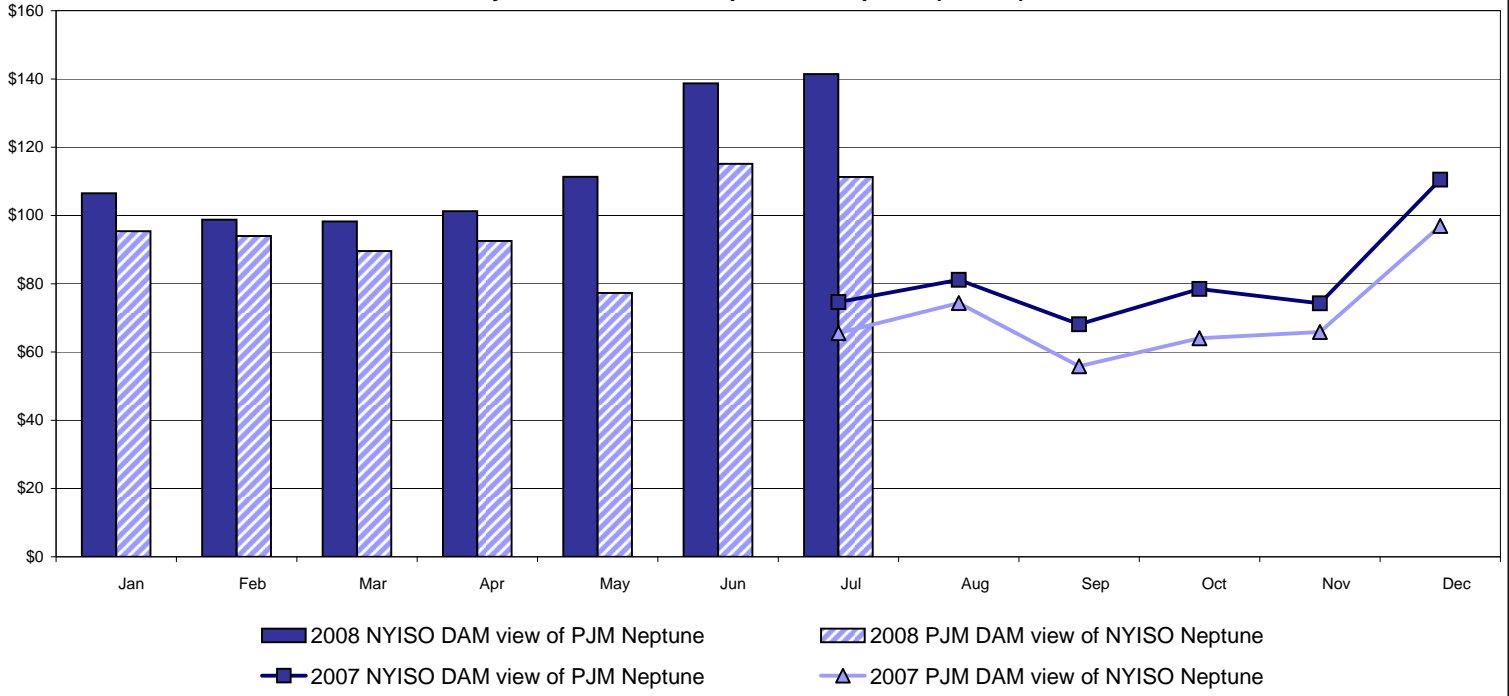


Note:

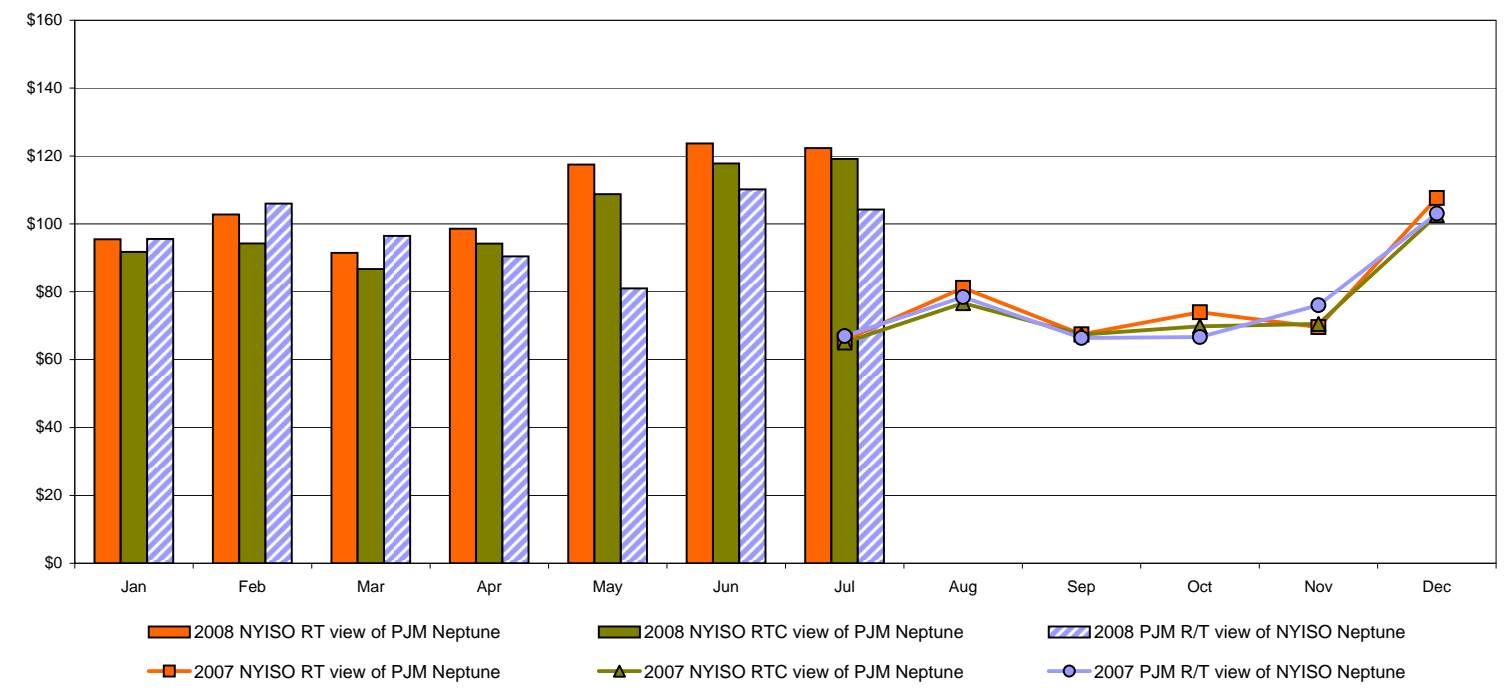
ISO-NE Forecast is an advisory posting @ 18:00 day before.
 The DAM and R/T prices at the Northport 138 interface are used for ISO-NE.
 The DAM and R/T prices at the 1385 interface are used for NYISO.
 Data available beginning 7/1/2007.

External Controllable Line: Neptune (PJM)

Day Ahead Market Comparison: Neptune (\$/MWh)



Real Time Market Comparison: Neptune (\$/MWh)



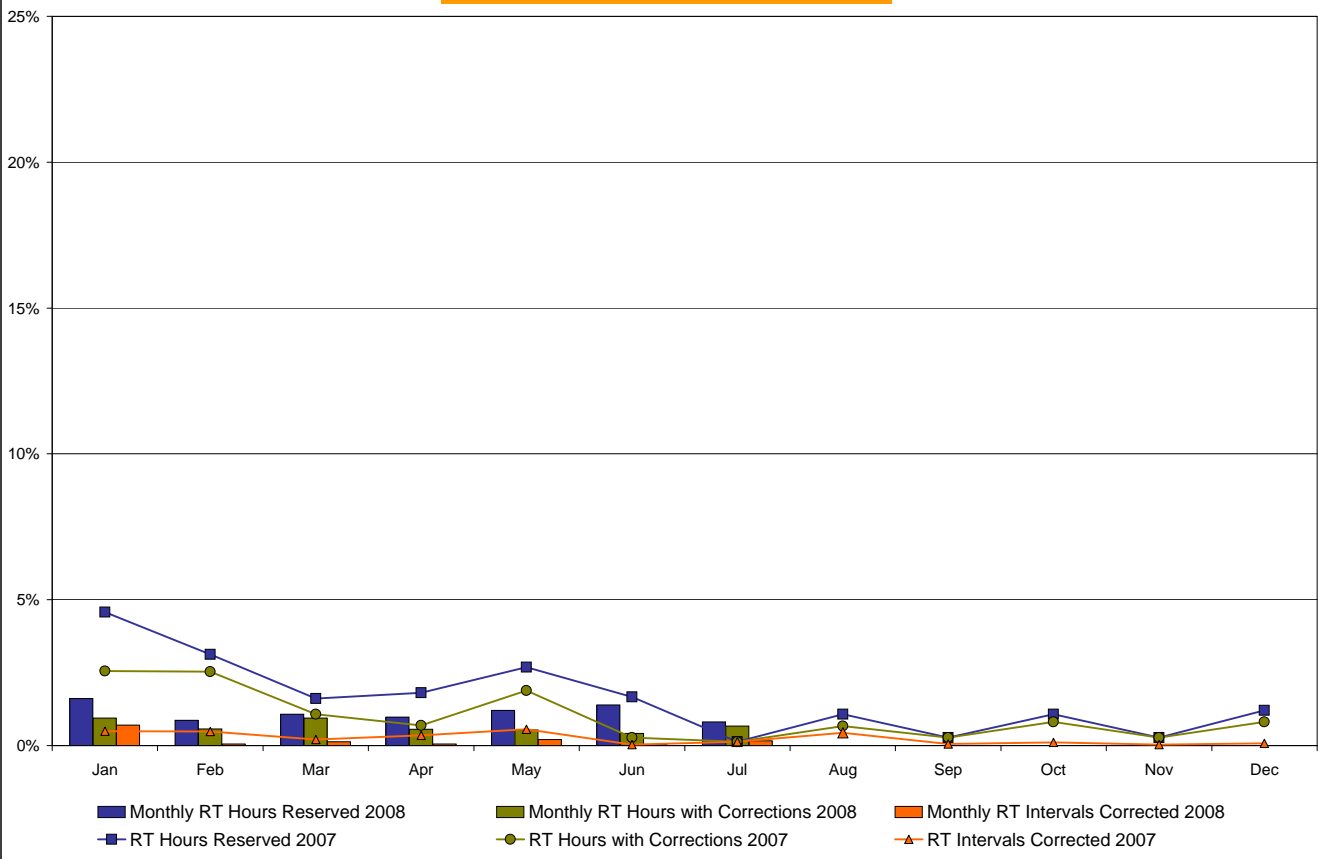
Note:
Data available beginning 7/1/2007.

NYISO Real Time Price Correction Statistics

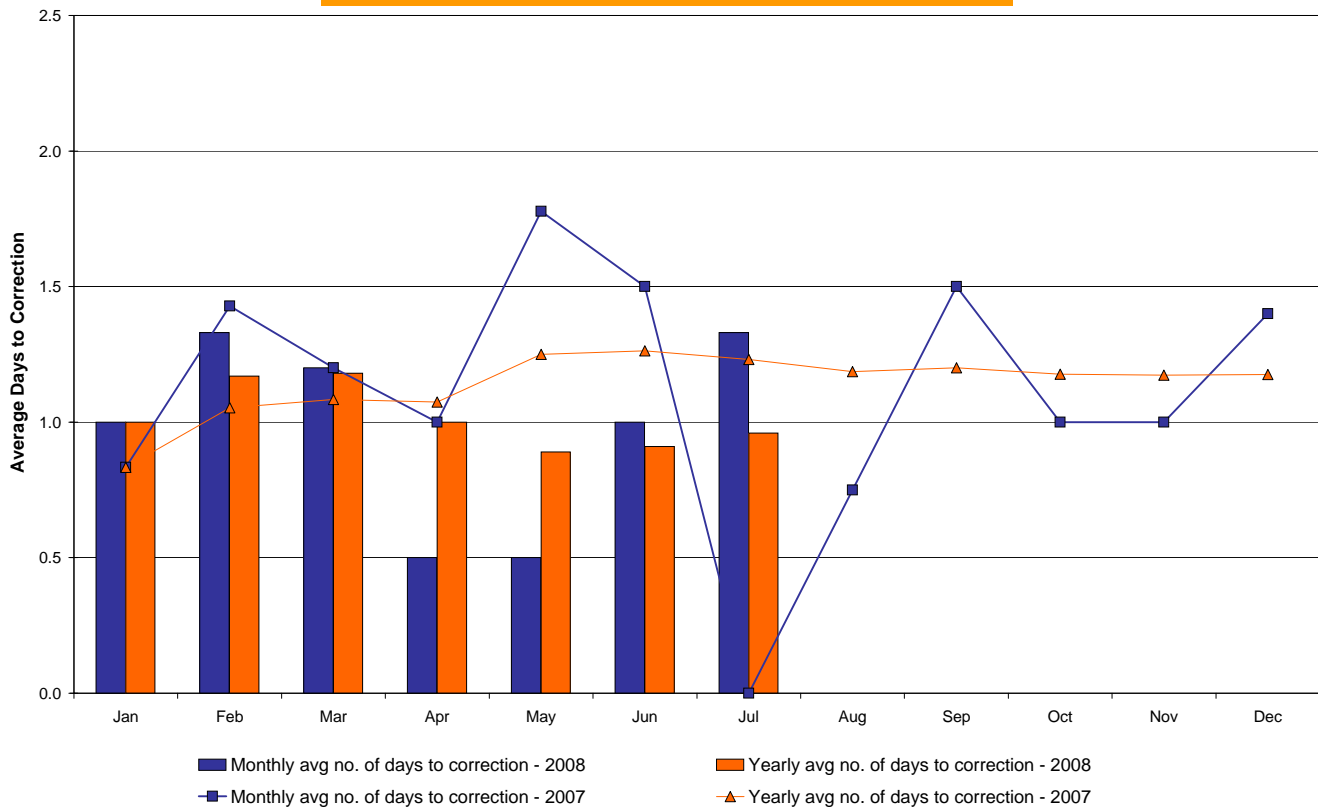
2008		<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
Hour Corrections													
Number of hours with corrections	in the month	7	4	7	4	4	3	5					
Number of hours	in the month	744	696	744	720	744	720	744					
% of hours with corrections	in the month	0.94%	0.57%	0.94%	0.56%	0.54%	0.42%	0.67%					
% of hours with corrections	year-to-date	0.94%	0.76%	0.82%	0.76%	0.71%	0.66%	0.67%					
Interval Corrections													
Number of intervals corrected	in the month	63	5	12	5	19	3	15					
Number of intervals	in the month	8,956	8,387	8,939	8,650	8,989	8,643	8,993					
% of intervals corrected	in the month	0.70%	0.06%	0.13%	0.06%	0.21%	0.03%	0.17%					
% of intervals corrected	year-to-date	0.70%	0.39%	0.30%	0.24%	0.24%	0.20%	0.20%					
Hours Reserved													
Number of hours reserved	in the month	12	6	8	7	9	10	6					
Number of hours	in the month	744	696	744	720	744	720	744					
% of hours reserved	in the month	1.61%	0.86%	1.08%	0.97%	1.21%	1.39%	0.81%					
% of hours reserved	year-to-date	1.61%	1.25%	1.19%	1.14%	1.15%	1.19%	1.13%					
Days to Correction *													
Avg. number of days to correction	in the month	1.00	1.33	1.20	0.50	0.50	1.00	1.33					
Avg. number of days to correction	year-to-date	1.00	1.17	1.18	1.00	0.89	0.91	0.96					
Days Without Corrections													
Days without corrections	in the month	28	26	26	26	27	27	28					
Days without corrections	year-to-date	28	54	80	106	133	160	188					
2007		<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
Hour Corrections													
Number of hours with corrections	in the month	19	17	8	5	14	2	1	5	2	6	2	6
Number of hours	in the month	744	672	744	720	744	720	744	744	720	744	720	744
% of hours with corrections	in the month	2.55%	2.53%	1.08%	0.69%	1.88%	0.28%	0.13%	0.67%	0.28%	0.81%	0.28%	0.81%
% of hours with corrections	year-to-date	2.55%	2.54%	2.04%	1.70%	1.74%	1.50%	1.30%	1.22%	1.11%	1.08%	1.01%	0.99%
Interval Corrections													
Number of intervals corrected	in the month	44	39	19	31	50	3	12	39	5	10	3	7
Number of intervals	in the month	8,954	8,115	9,006	8,742	9,025	8,707	9,008	8,994	8,685	8,970	8,695	8,979
% of intervals corrected	in the month	0.49%	0.48%	0.21%	0.35%	0.55%	0.03%	0.13%	0.43%	0.06%	0.11%	0.03%	0.08%
% of intervals corrected	year-to-date	0.49%	0.49%	0.39%	0.38%	0.42%	0.35%	0.32%	0.34%	0.31%	0.29%	0.26%	0.25%
Hours Reserved													
Number of hours reserved	in the month	34	21	12	13	20	12	1	8	2	8	2	9
Number of hours	in the month	744	672	744	720	744	720	744	744	720	744	720	744
% of hours reserved	in the month	4.57%	3.13%	1.61%	1.81%	2.69%	1.67%	0.13%	1.08%	0.28%	1.08%	0.28%	1.21%
% of hours reserved	year-to-date	4.57%	3.88%	3.10%	2.78%	2.76%	2.58%	2.22%	2.07%	1.88%	1.80%	1.66%	1.62%
Days to Correction *													
Avg. number of days to correction	in the month	0.83	1.43	1.20	1.00	1.78	1.50	0.00	0.75	1.50	1.00	1.00	1.40
Avg. number of days to correction	year-to-date	0.83	1.05	1.08	1.07	1.25	1.26	1.23	1.19	1.20	1.18	1.17	1.18
Days Without Corrections													
Days without corrections	in the month	19	21	26	27	22	28	30	27	28	25	29	26
Days without corrections	year-to-date	19	40	66	93	115	143	173	200	228	253	282	308

* Calendar days from reservation date.

Percentage of Real-Time Corrections

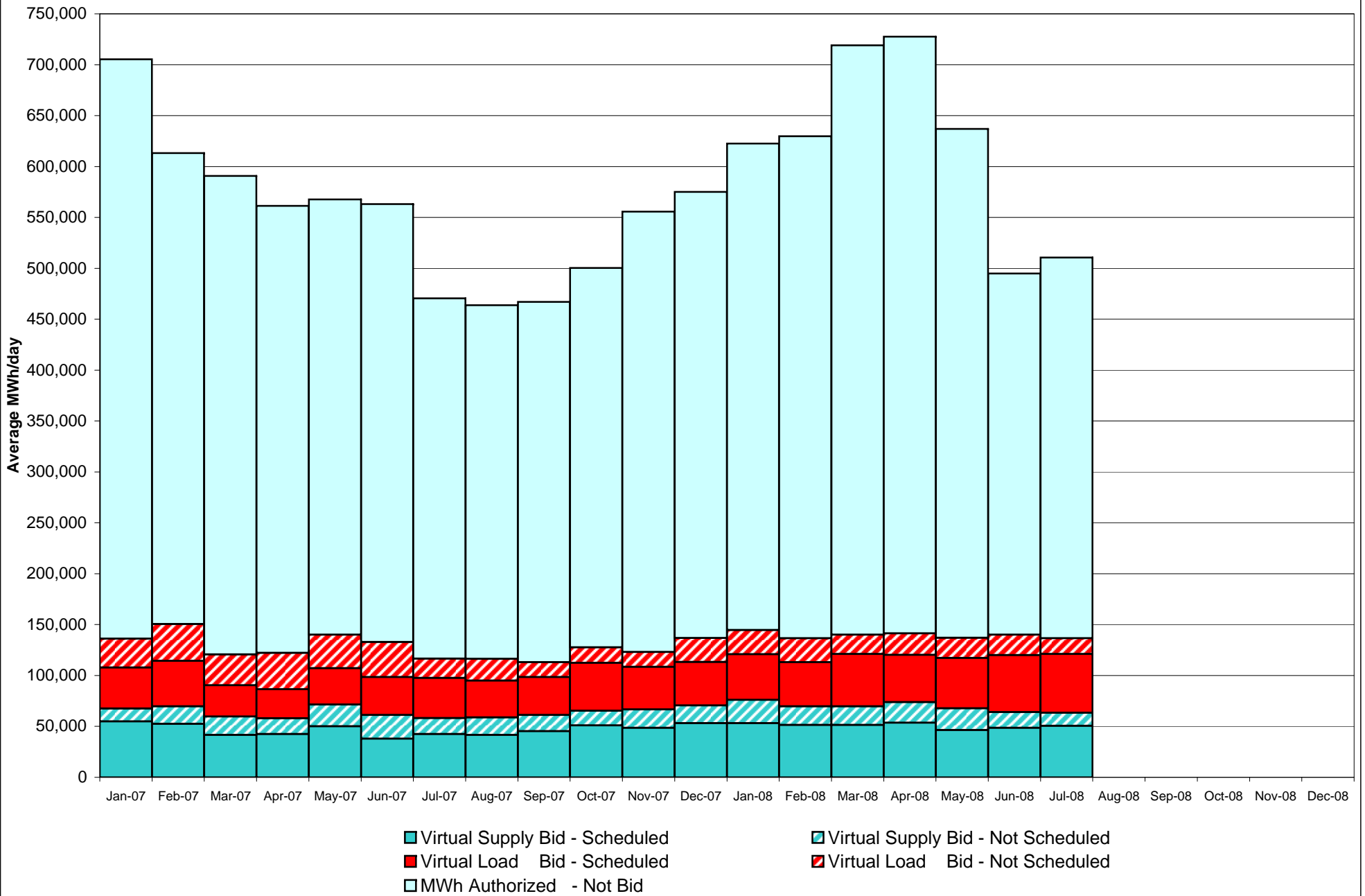


Annual average time period for making Price Corrections (from reservation date) *

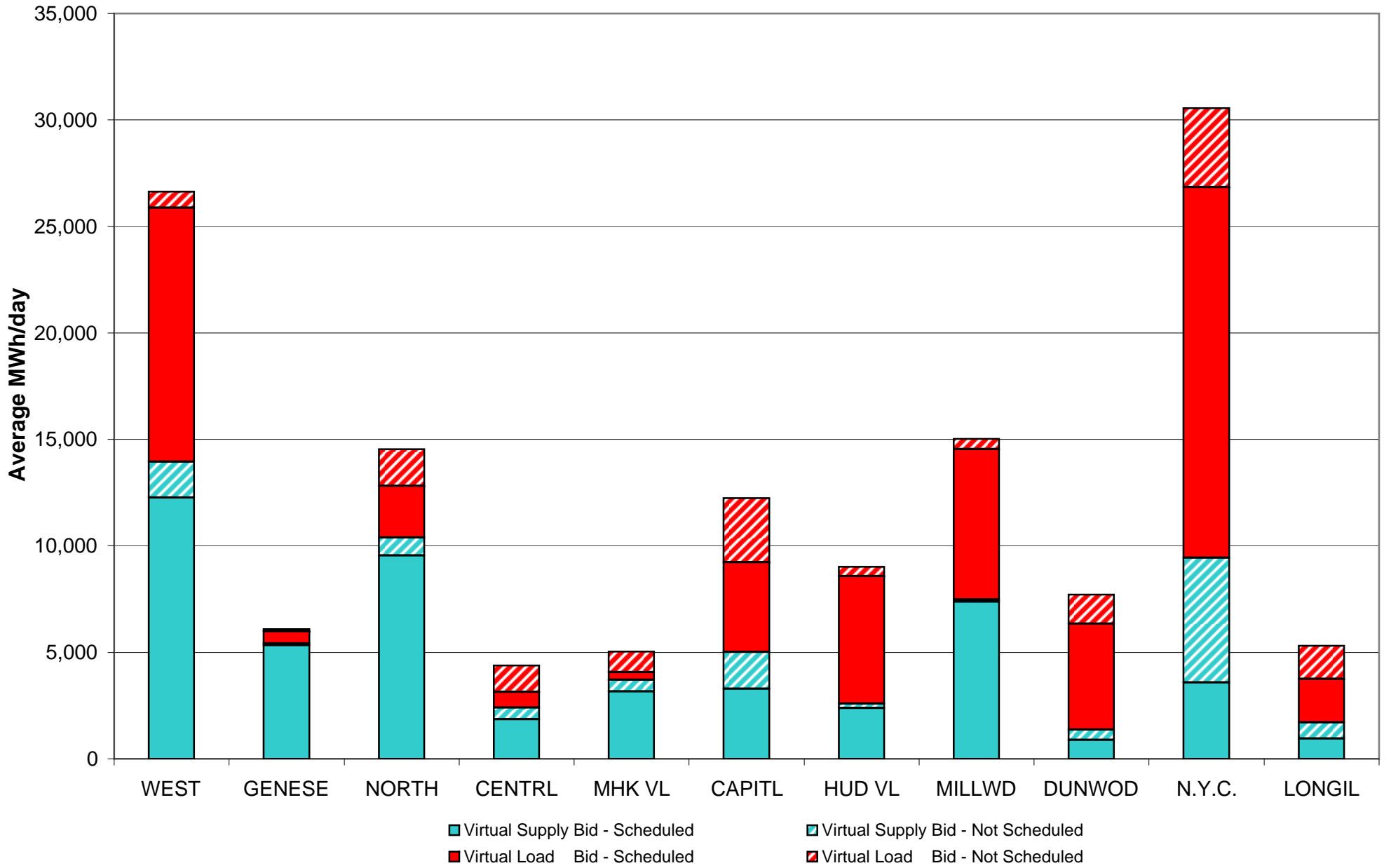


* Calendar days from reservation date.

NYISO Virtual Trading Average MWh per day



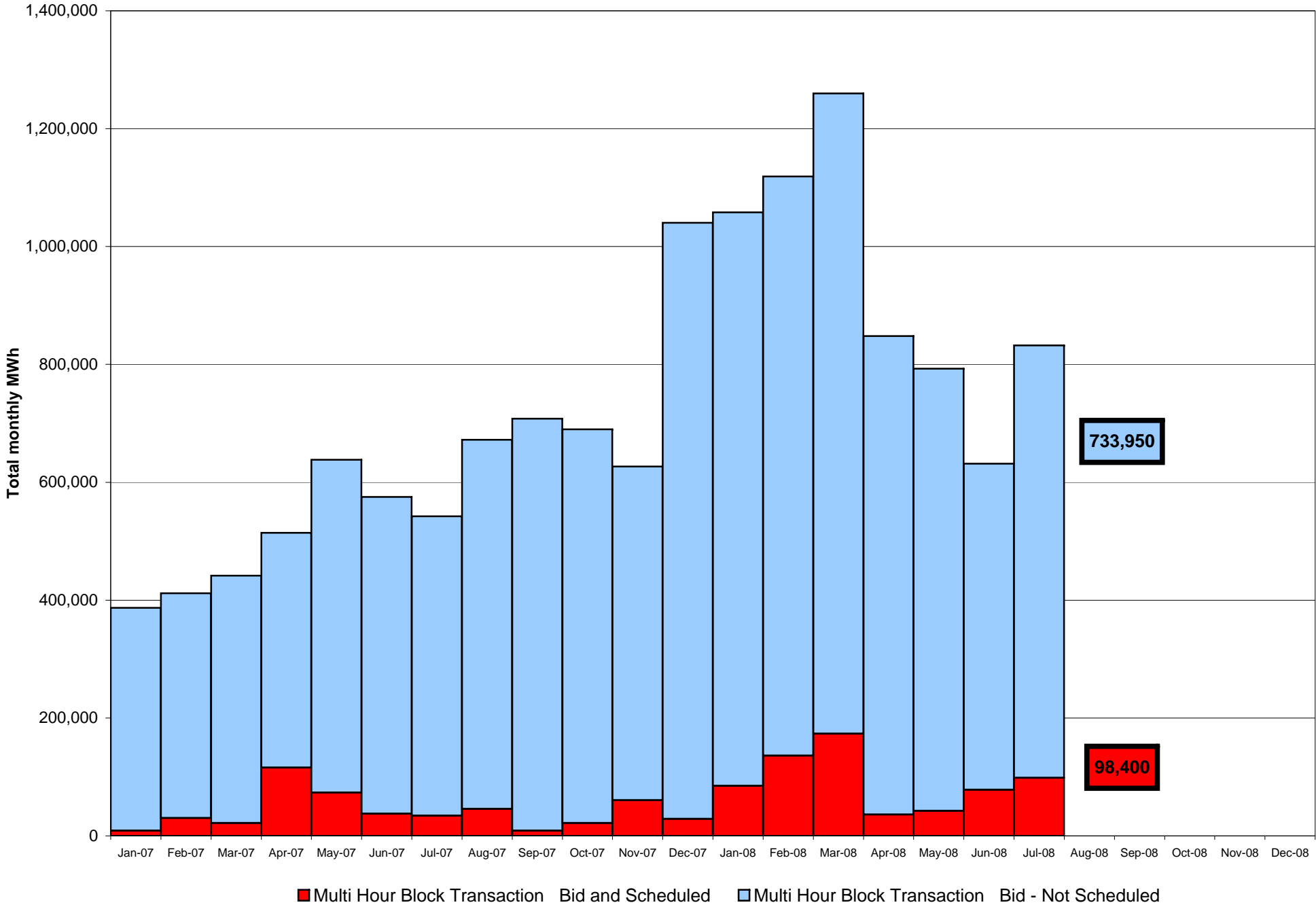
Virtual Load and Supply Zonal Statistics July 2008



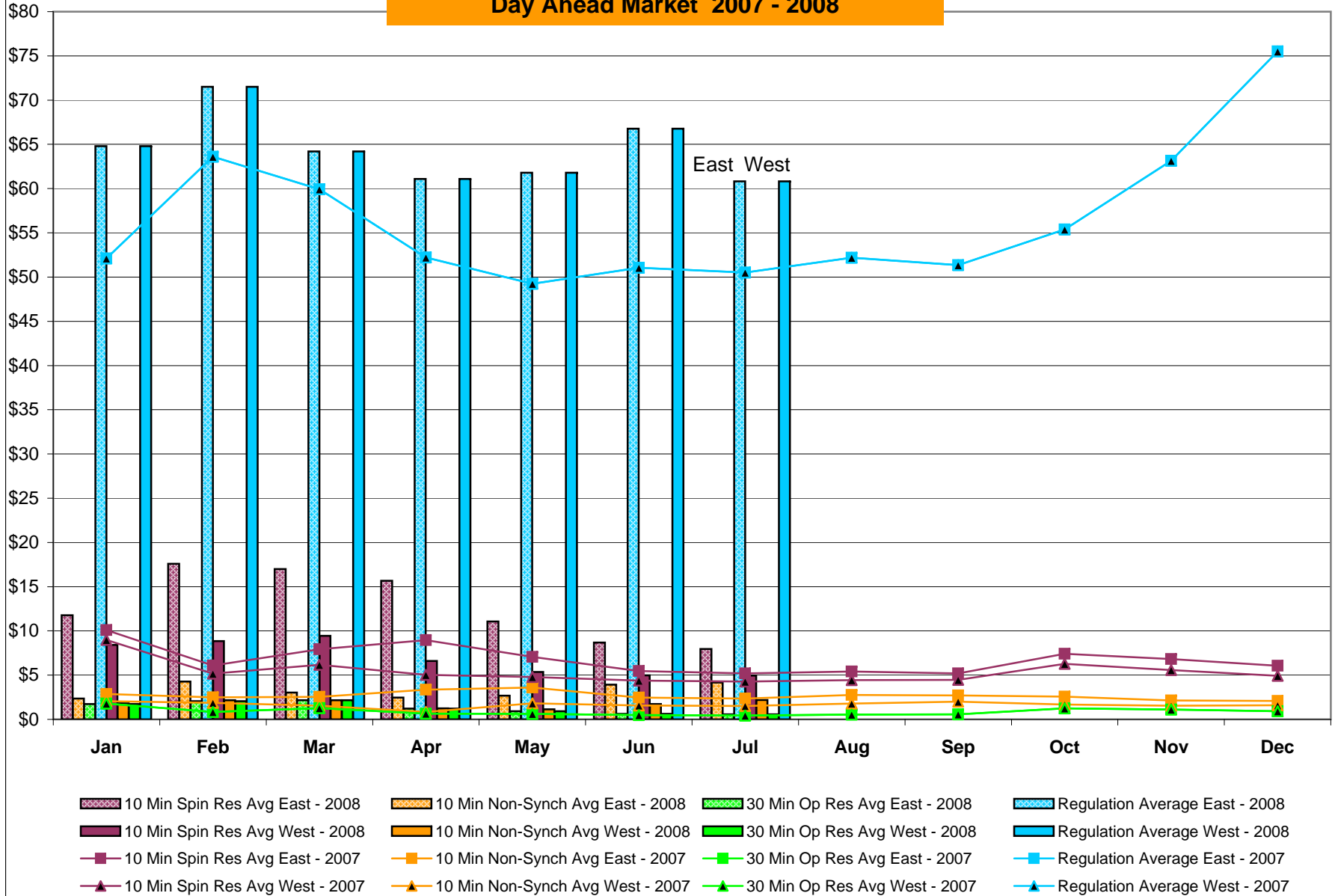
Virtual Load and Supply Zonal Statistics (Average MWh/day) - 2008

		Virtual Load Bid		Virtual Supply Bid				Virtual Load Bid		Virtual Supply Bid				Virtual Load Bid		Virtual Supply Bid	
Zone	Date	Scheduled	Not Scheduled	Scheduled	Not Scheduled	Zone	Date	Scheduled	Not Scheduled	Scheduled	Not Scheduled	Zone	Date	Scheduled	Not Scheduled	Scheduled	Not Scheduled
WEST	Jan-08	10,054	1,200	11,636	3,279	MHK VL	Jan-08	454	868	4,949	623	DUNWOD	Jan-08	215	287	519	175
	Feb-08	4,716	3,140	18,976	3,735		Feb-08	710	911	3,597	424		Feb-08	754	200	306	228
	Mar-08	10,105	2,000	7,686	1,870		Mar-08	611	918	5,237	391		Mar-08	10,146	405	1,119	84
	Apr-08	9,490	2,185	6,767	2,175		Apr-08	419	1,142	4,557	468		Apr-08	5,530	559	2,270	177
	May-08	5,936	2,460	8,722	3,188		May-08	987	1,011	3,674	648		May-08	4,526	521	1,091	129
	Jun-08	7,230	2,122	11,020	2,194		Jun-08	1,017	1,024	2,950	550		Jun-08	5,337	1,313	585	281
	Jul-08	11,933	750	12,254	1,691		Jul-08	360	976	3,165	540		Jul-08	4,979	1,373	878	487
	Aug-08						Aug-08						Aug-08				
	Sep-08						Sep-08						Sep-08				
	Oct-08						Oct-08						Oct-08				
	Nov-08						Nov-08						Nov-08				
	Dec-08						Dec-08						Dec-08				
	GENESE	Jan-08	1,115	136	12,158		1,807	CAPITL	Jan-08	7,278	5,128		1,203	1,968	N.Y.C.	Jan-08	11,271
Feb-08		1,409	33	7,931	602	Feb-08	4,964		4,055	1,592	1,405	Feb-08	9,855	6,111		2,620	5,794
Mar-08		2,382	60	8,175	928	Mar-08	4,880		4,158	2,120	1,518	Mar-08	10,460	4,375		1,546	8,273
Apr-08		1,800	235	5,680	1,324	Apr-08	3,831		4,648	3,080	1,694	Apr-08	12,968	5,245		1,621	8,151
May-08		1,319	218	6,061	1,036	May-08	4,848		3,650	2,621	2,341	May-08	12,279	4,985		1,180	6,881
Jun-08		864	171	6,703	144	Jun-08	2,973		1,013	4,419	2,355	Jun-08	17,231	6,414		817	5,943
Jul-08		578	102	5,329	80	Jul-08	4,215		3,007	3,283	1,741	Jul-08	17,405	3,708		3,591	5,856
Aug-08						Aug-08						Aug-08					
Sep-08						Sep-08						Sep-08					
Oct-08						Oct-08						Oct-08					
Nov-08						Nov-08						Nov-08					
Dec-08						Dec-08						Dec-08					
NORTH		Jan-08	502	1,536	5,617	2,663	HUD VL		Jan-08	7,667	911	10,378	2,385	LONGIL		Jan-08	2,333
	Feb-08	345	1,069	4,688	1,206	Feb-08		13,898	1,564	7,647	2,191	Feb-08	2,509		4,638	1,475	2,079
	Mar-08	402	961	7,771	1,534	Mar-08		5,814	1,079	8,918	1,164	Mar-08	2,459		2,736	1,550	2,103
	Apr-08	331	1,160	10,322	1,888	Apr-08		4,318	1,456	5,552	1,470	Apr-08	1,626		2,385	2,724	2,322
	May-08	1,227	1,346	6,625	2,780	May-08		3,838	1,458	4,391	2,230	May-08	3,481		2,563	1,698	1,487
	Jun-08	3,221	1,371	6,305	532	Jun-08		4,557	1,898	5,188	1,488	Jun-08	3,678		3,360	936	1,082
	Jul-08	2,426	1,720	9,543	852	Jul-08		5,971	442	2,390	212	Jul-08	2,058		1,560	955	745
	Aug-08					Aug-08						Aug-08					
	Sep-08					Sep-08						Sep-08					
	Oct-08					Oct-08						Oct-08					
	Nov-08					Nov-08						Nov-08					
	Dec-08					Dec-08						Dec-08					
	CENTRL	Jan-08	3,713	1,225	1,758	742		MILLWD	Jan-08	176	22	686	42		NYISO	Jan-08	44,779
Feb-08		3,975	1,768	2,046	531	Feb-08	343		46	562	3	Feb-08	43,478	23,534		51,441	18,198
Mar-08		2,835	2,088	2,516	418	Mar-08	1,468		67	4,662	21	Mar-08	51,561	18,848		51,300	18,305
Apr-08		2,078	1,782	2,398	437	Apr-08	4,107		276	8,576	156	Apr-08	46,497	21,073		53,547	20,261
May-08		2,526	1,114	2,231	693	May-08	8,458		553	8,003	107	May-08	49,424	19,880		46,297	21,519
Jun-08		1,630	1,220	1,668	548	Jun-08	8,415		150	8,075	163	Jun-08	56,153	20,056		48,666	15,280
Jul-08		746	1,233	1,847	552	Jul-08	7,064		473	7,370	109	Jul-08	57,735	15,344		50,605	12,867
Aug-08						Aug-08						Aug-08					
Sep-08						Sep-08						Sep-08					
Oct-08						Oct-08						Oct-08					
Nov-08						Nov-08						Nov-08					
Dec-08						Dec-08						Dec-08					

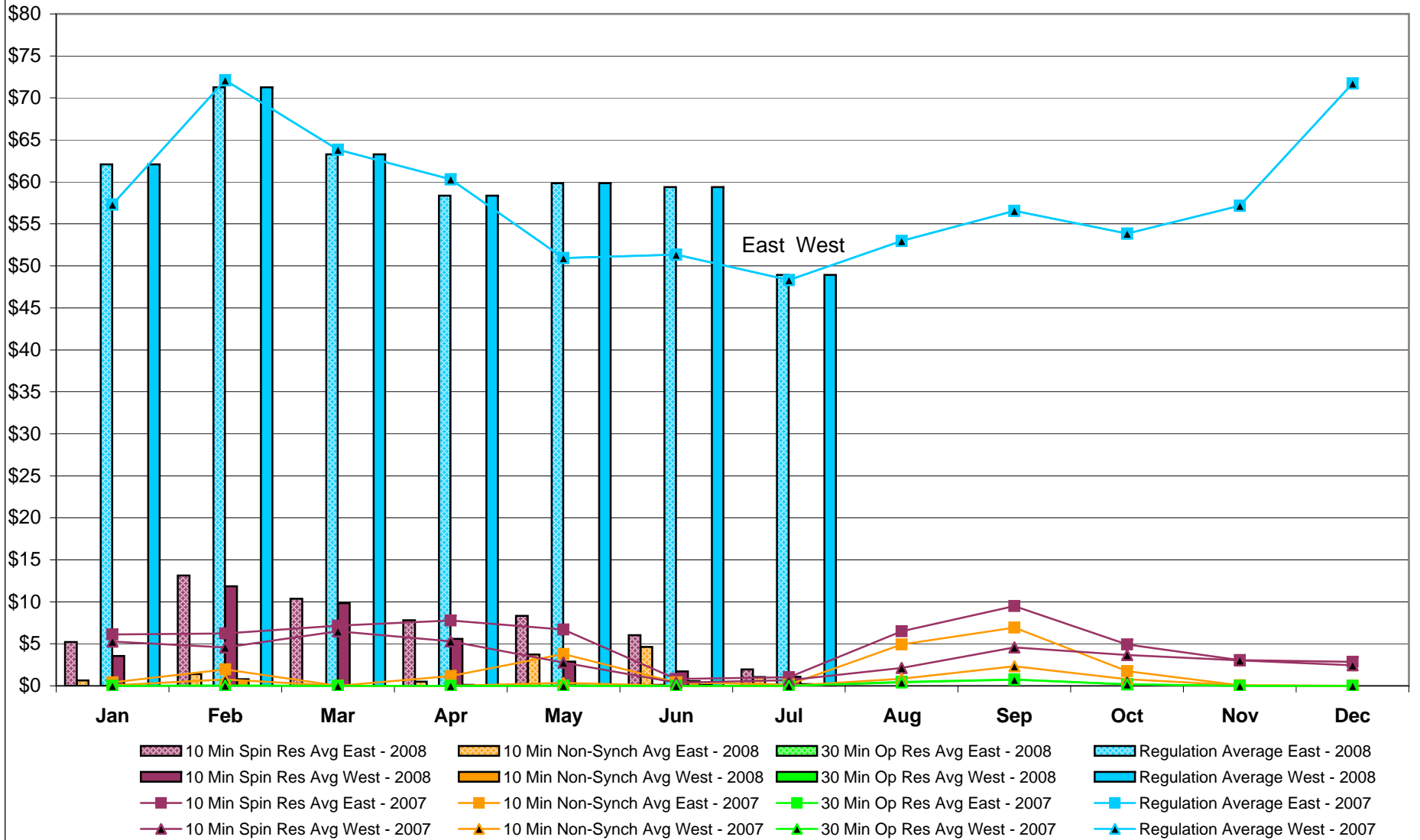
NYISO Multi Hour Block Transactions Monthly Total MWh



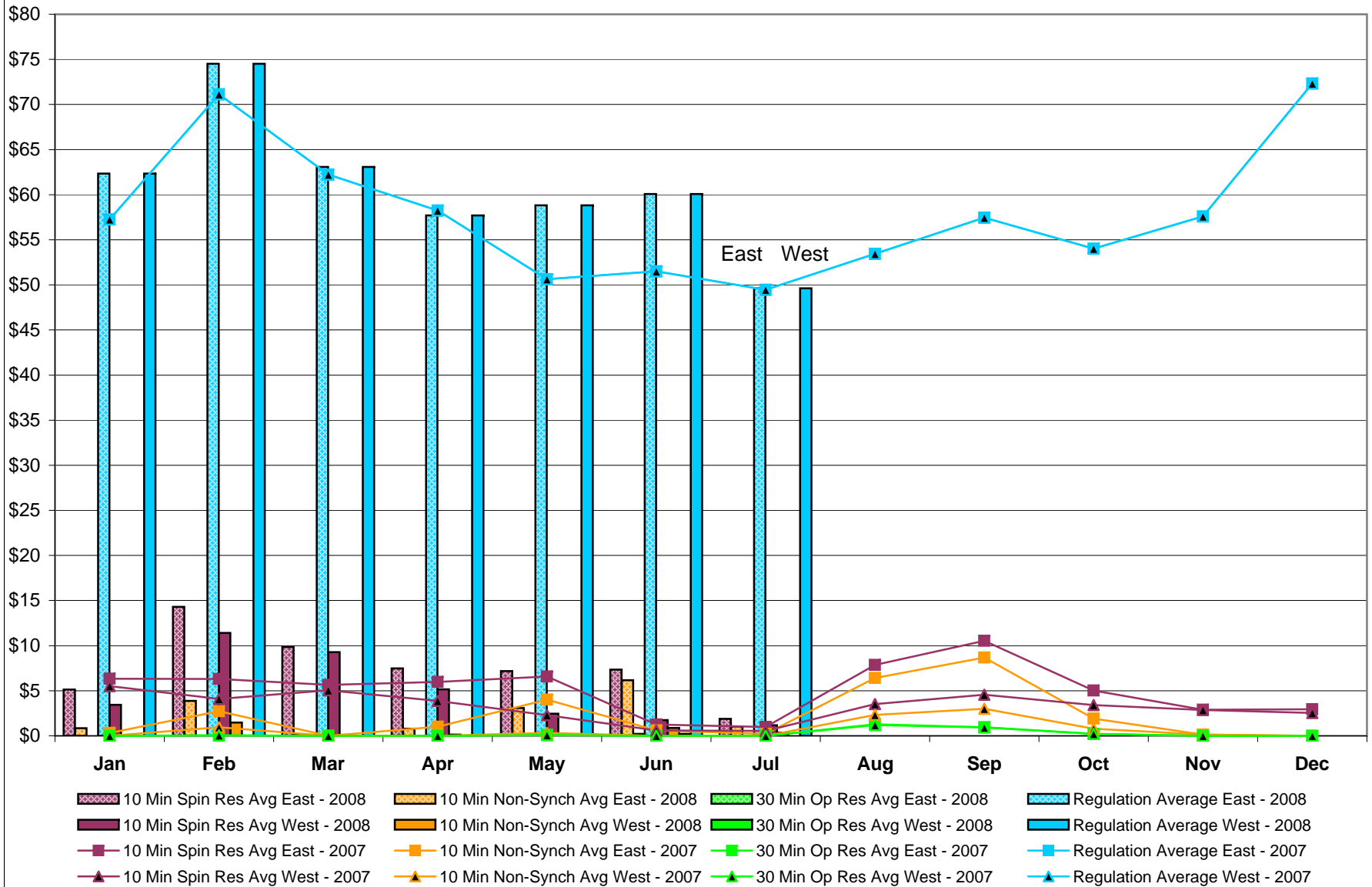
NYISO Monthly Average Ancillary Service Prices Day Ahead Market 2007 - 2008



NYISO Monthly Average Ancillary Service Prices RTC Market 2007 - 2008



NYISO Monthly Average Ancillary Service Prices Real Time Market 2007 - 2008



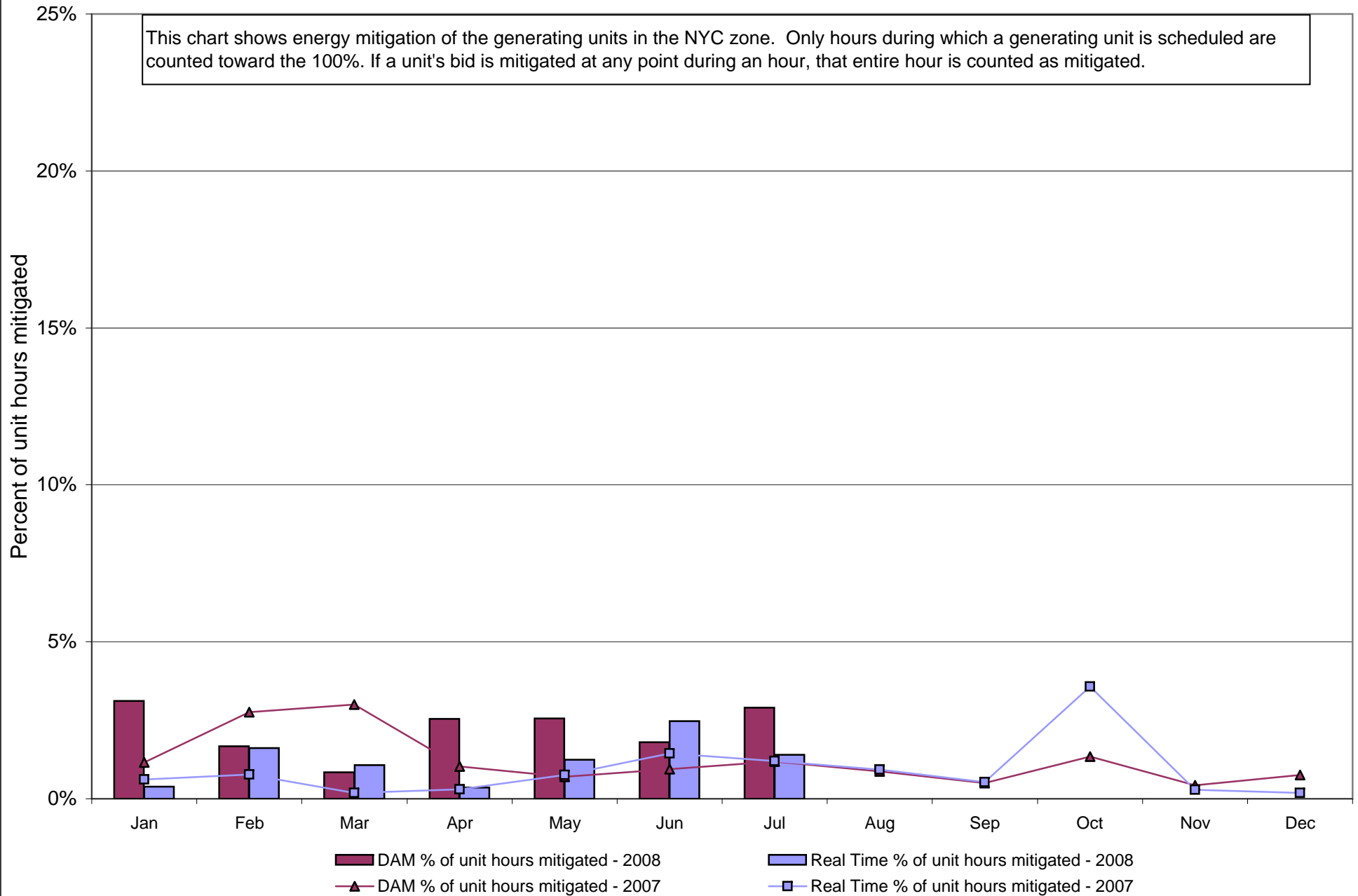
NYISO Markets Ancillary Services Statistics - Unweighted Price (\$/MWH)

2008	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
<u>Day Ahead Market</u>												
10 Min Spin East	11.76	17.59	16.98	15.66	11.07	8.68	7.96					
10 Min Spin West	8.41	8.86	9.45	6.61	5.35	4.97	4.96					
10 Min Non Synch East	2.36	4.26	3.04	2.46	2.69	3.93	4.18					
10 Min Non Synch West	1.81	2.16	2.16	1.24	1.14	1.73	2.20					
30 Min East	1.73	2.07	2.16	1.21	0.93	0.61	0.57					
30 Min West	1.73	2.07	2.16	1.21	0.93	0.61	0.57					
Regulation East	64.81	71.51	64.19	61.08	61.80	66.77	60.83					
Regulation West	64.81	71.51	64.19	61.08	61.80	66.77	60.83					
<u>RTC Market</u>												
10 Min Spin East	5.22	13.13	10.37	7.80	8.34	6.04	1.95					
10 Min Spin West	3.55	11.86	9.83	5.61	2.89	1.71	1.09					
10 Min Non Synch East	0.65	1.40	0.02	0.49	3.74	4.62	1.05					
10 Min Non Synch West	0.00	0.79	0.00	0.12	0.04	0.56	0.21					
30 Min East	0.00	0.00	0.00	0.00	0.00	0.12	0.00					
30 Min West	0.00	0.00	0.00	0.00	0.00	0.12	0.00					
Regulation East	62.09	71.26	63.30	58.35	59.84	59.38	48.94					
Regulation West	62.09	71.26	63.30	58.35	59.84	59.38	48.94					
<u>Real Time Market</u>												
10 Min Spin East	5.12	14.30	9.86	7.48	7.19	7.35	1.88					
10 Min Spin West	3.45	11.40	9.27	5.16	2.45	1.73	1.19					
10 Min Non Synch East	0.83	3.86	0.10	0.79	3.07	6.17	1.05					
10 Min Non Synch West	0.02	1.49	0.00	0.13	0.01	0.88	0.37					
30 Min East	0.00	0.00	0.00	0.00	0.00	0.21	0.00					
30 Min West	0.00	0.00	0.00	0.00	0.00	0.21	0.00					
Regulation East	62.33	74.53	63.09	57.71	58.83	60.07	49.61					
Regulation West	62.33	74.53	63.09	57.71	58.83	60.07	49.61					
2007	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
<u>Day Ahead Market</u>												
10 Min Spin East	10.10	6.08	7.94	8.95	7.06	5.47	5.18	5.42	5.20	7.42	6.82	6.05
10 Min Spin West	8.97	5.17	6.18	5.03	4.80	4.39	4.28	4.43	4.47	6.26	5.57	4.93
10 Min Non Synch East	2.87	2.49	2.56	3.35	3.59	2.47	2.34	2.77	2.70	2.56	2.14	2.08
10 Min Non Synch West	2.06	1.85	1.53	0.84	1.82	1.56	1.50	1.80	2.00	1.67	1.54	1.60
30 Min East	1.79	0.85	1.26	0.64	0.61	0.49	0.44	0.53	0.56	1.23	1.10	0.92
30 Min West	1.79	0.85	1.26	0.64	0.61	0.49	0.44	0.53	0.56	1.23	1.10	0.92
Regulation East	52.12	63.61	59.92	52.22	49.25	51.05	50.50	52.18	51.36	55.39	63.15	75.50
Regulation West	52.12	63.61	59.92	52.22	49.25	51.05	50.50	52.18	51.36	55.39	63.15	75.50
<u>RTC Market</u>												
10 Min Spin East	6.12	6.23	7.17	7.77	6.70	0.83	1.03	6.50	9.50	4.93	3.06	2.84
10 Min Spin West	5.26	4.57	6.49	5.29	2.78	0.38	0.66	2.14	4.57	3.67	3.04	2.43
10 Min Non Synch East	0.41	1.94	0.00	1.16	3.77	0.40	0.16	4.91	6.92	1.76	0.06	0.00
10 Min Non Synch West	0.05	0.75	0.00	0.00	0.36	0.00	0.00	0.84	2.32	0.80	0.06	0.00
30 Min East	0.00	0.04	0.00	0.00	0.03	0.00	0.00	0.47	0.76	0.18	0.00	0.00
30 Min West	0.00	0.04	0.00	0.00	0.00	0.00	0.00	0.41	0.73	0.18	0.00	0.00
Regulation East	57.33	72.11	63.84	60.31	50.95	51.35	48.30	52.97	56.56	53.84	57.18	71.74
Regulation West	57.33	72.11	63.84	60.31	50.95	51.35	48.30	52.97	56.56	53.84	57.18	71.74
<u>Real Time Market</u>												
10 Min Spin East	6.32	6.30	5.66	5.98	6.57	1.24	0.99	7.86	10.54	5.02	2.90	2.95
10 Min Spin West	5.51	4.10	5.04	3.89	2.28	0.60	0.55	3.51	4.55	3.41	2.87	2.53
10 Min Non Synch East	0.34	2.72	0.00	1.01	4.00	0.61	0.23	6.40	8.68	1.90	0.14	0.00
10 Min Non Synch West	0.01	0.95	0.00	0.00	0.32	0.00	0.00	2.32	3.00	0.78	0.13	0.00
30 Min East	-	0.05	0.00	0.00	0.11	0.00	0.00	1.28	0.95	0.21	0.00	0.00
30 Min West	-	0.05	0.00	0.00	0.07	0.00	0.00	1.19	0.92	0.21	0.00	0.00
Regulation East	57.26	71.13	62.24	58.23	50.62	51.51	49.45	53.46	57.47	54.01	57.60	72.33
Regulation West	57.26	71.13	62.24	58.23	50.62	51.51	49.45	53.46	57.47	54.01	57.60	72.33

NYISO In City Energy Mitigation (NYC Zone) 2007 - 2008

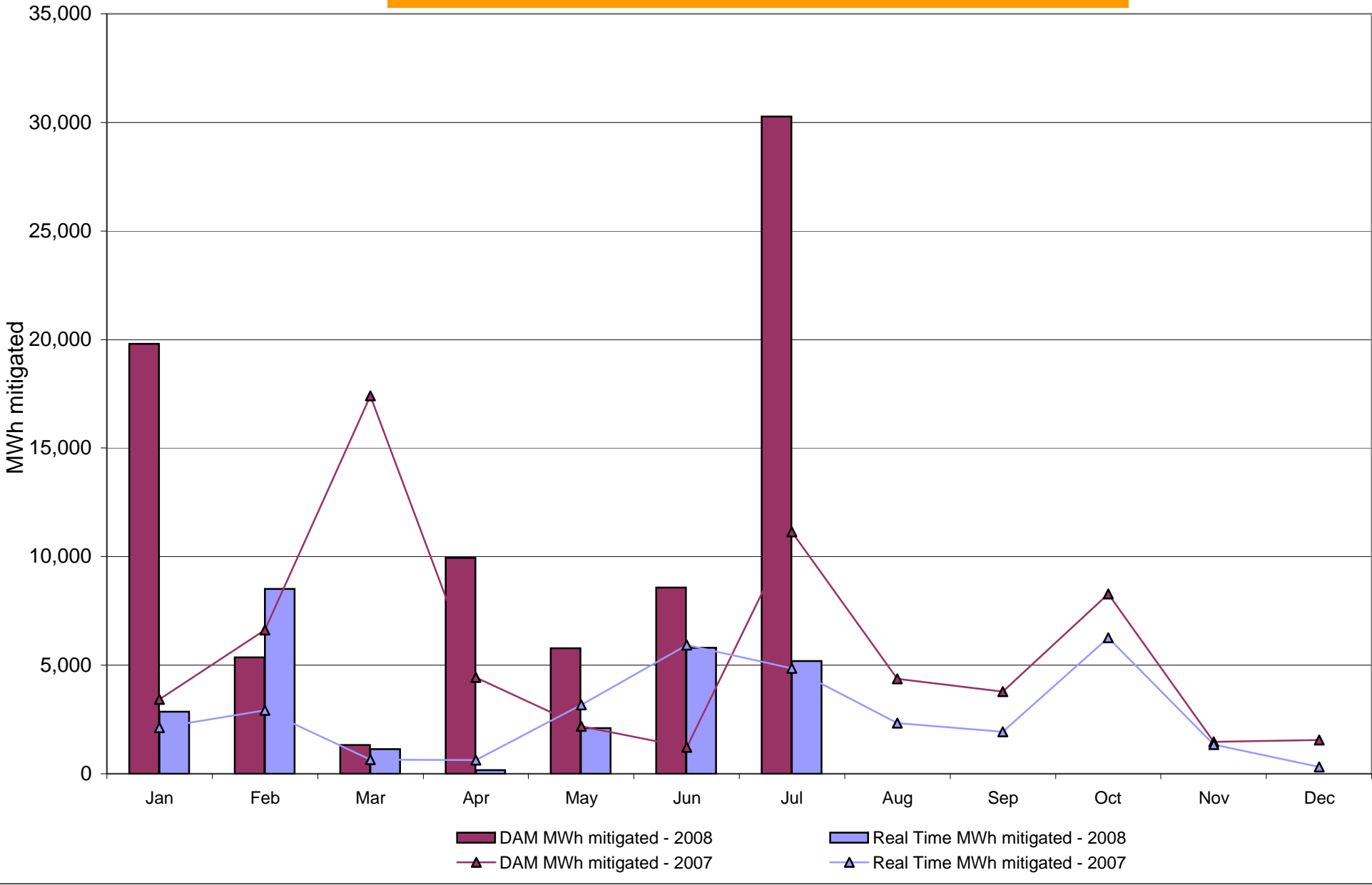
Percentage of committed unit-hours mitigated

This chart shows energy mitigation of the generating units in the NYC zone. Only hours during which a generating unit is scheduled are counted toward the 100%. If a unit's bid is mitigated at any point during an hour, that entire hour is counted as mitigated.

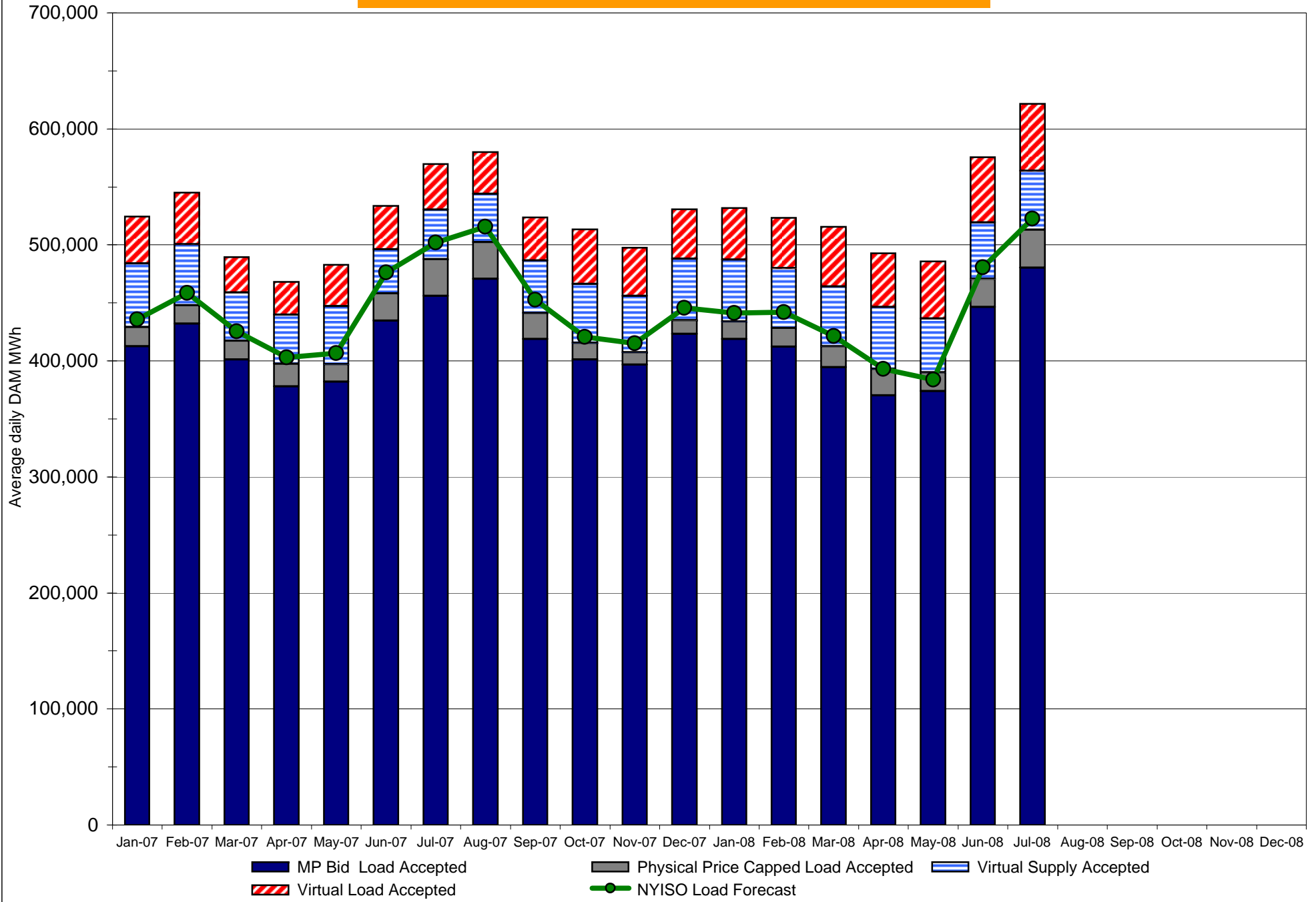


NYISO In City Energy Mitigation (NYC Zone) 2007 - 2008

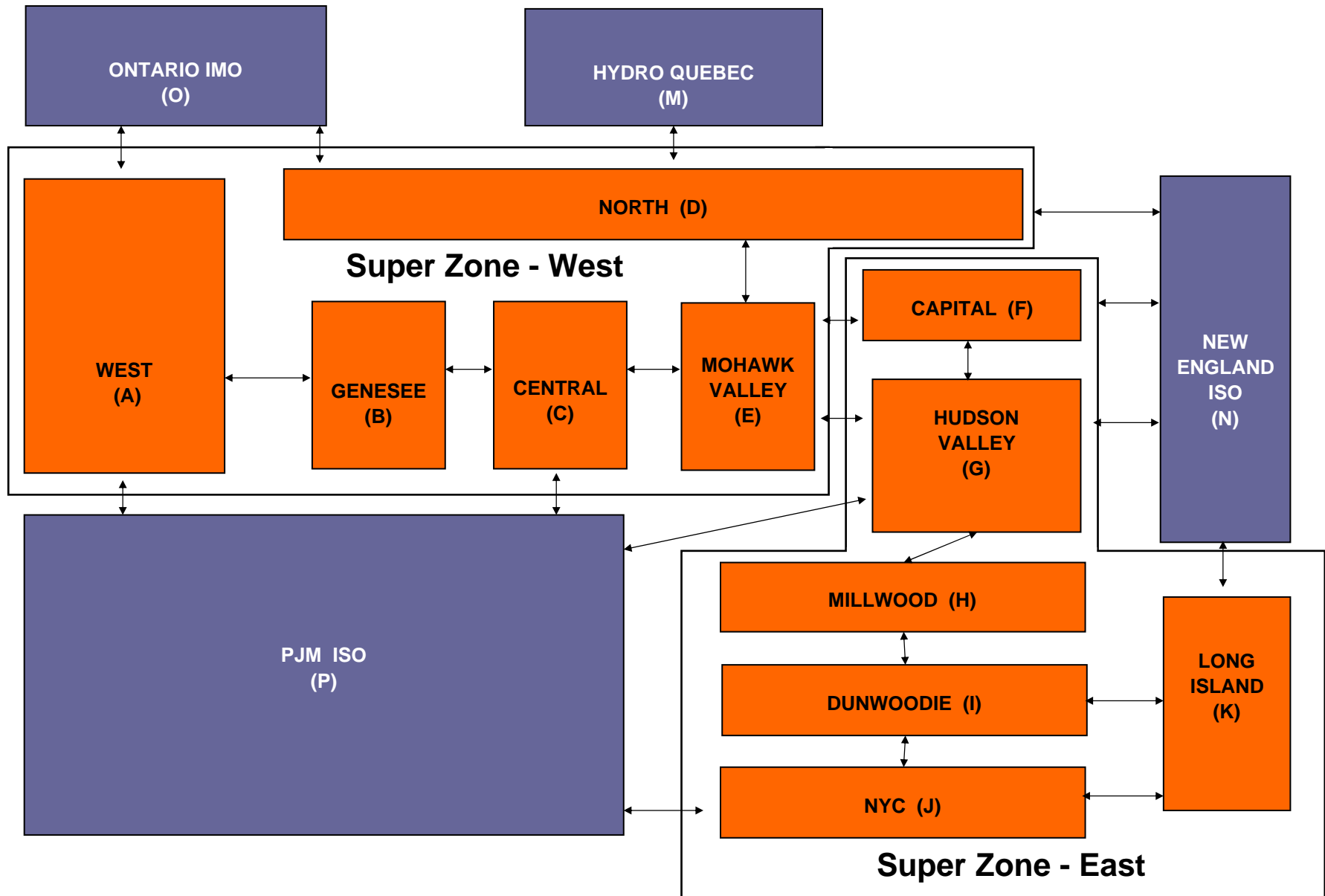
Monthly megawatt hours mitigated



NYISO Average Daily DAM Load Bid Summary



NYISO LBMP ZONES



Billing Codes for Chart 4-C

Chart 4-C Category Name	Billing Code	Billing Category Name
Bid Production Cost Guarantee Balancing	81203	Balancing NYISO Bid Production Cost Guarantee - Internal Units
Bid Production Cost Guarantee Balancing	81204	Balancing NYISO Bid Production Cost Guarantee - External Units
Bid Production Cost Guarantee Balancing	81205	Balancing NYISO Bid Production Cost Guarantee Expenditure due to Curtailed Imports
Bid Production Cost Guarantee Balancing	81208	Balancing NYISO Bid Production Cost Guarantee - Internal Units
Bid Production Cost Guarantee Balancing	81209	Balancing NYISO Bid Production Cost Guarantee - External Units
Bid Production Cost Guarantee Balancing	81213	Balancing NYISO Bid Production Cost Guarantee Expenditure due to Curtailed Imports
Bid Production Cost Guarantee DAM	81201	DAM NYISO Bid Production Cost Guarantee - Internal Units
Bid Production Cost Guarantee DAM	81202	DAM NYISO Bid Production Cost Guarantee - External Units
Bid Production Cost Guarantee DAM	81206	DAM NYISO Bid Production Cost Guarantee - Internal Units
Bid Production Cost Guarantee DAM	81207	DAM NYISO Bid Production Cost Guarantee - External Units
Bid Production Cost Guarantee DAM Virtual	81501	DAM Virtual Bid Production Cost Guarantee
DAM Contract Balancing	81315	DAM Contract Balancing
DAM Contract Balancing	81317	DAM Contract Balancing
Local Reliability Balancing	81002	Balancing Local Reliability Bid Production Cost Guarantee
Local Reliability DAM	81001	DAM Local Reliability Bid Production Cost Guarantee
NYISO Cost of Operations	80901	NYISO Cost Of Operations
NYISO Cost of Operations	80902	NYISO Cost Of Operations
NYISO Cost of Operations	83501	NYISO Cost Of Operations
NYISO Cost of Operations	83502	NYISO Cost Of Operations
Residuals Balancing	81302	Balancing Market Energy Residual
Residuals Balancing	81304	Balancing Market Loss Residual
Residuals Balancing	81305	Balancing Market Congestion Balancing
Residuals Balancing	81306	Emergency Energy Purchases
Residuals Balancing	81307	Emergency Energy Sales
Residuals Balancing	81309	Balancing Market Energy Residual
Residuals Balancing	81311	Balancing Market Loss Residual
Residuals Balancing	81312	Balancing Market Congestion Balancing
Residuals Balancing	81313	Emergency Energy Purchases
Residuals Balancing	81314	Emergency Energy Sales
Residuals DAM	81301	Day Ahead Market Energy Residual
Residuals DAM	81303	Day Ahead Market Loss Residual
Residuals DAM	81308	Day Ahead Market Energy Residual
Residuals DAM	81310	Day Ahead Market Loss Residual

Process Review: Enterprise-wide Critical Issue Resolution

**Stephen G. Whitley
President and CEO
August 27, 2008
Management Committee Meeting**

Process Review: Enterprise-wide Critical Issue Resolution

- ◆ The NYISO staff did an outstanding job of implementing a sound resolution to the Lake Erie Loop flow Circuitous Scheduling Issue
 - *Market Participants have filed many supportive comments to the FERC*
 - *Dr. David Patton has commented that he did not believe that NYISO could have conducted its investigation, analysis and mitigation of this highly complex set of circumstances any more quickly or diligently*
- ◆ We want to learn from this experience and identify process improvements that can reduce the cycle time on complex problems like this in the future

How to Expedite Issue Resolution, Analysis and Deployment of Solutions based on a Review of Lake Erie Loop Flow Issue

- ◆ Purpose:

- *To develop proactive process improvements that will reduce cycle time in the deployment of solutions relative to exigent power system and market conditions such as the Lake Erie Loop Flow problem*

- ◆ Scope:

- *The team reviewed the timelines of events, complexity of the issue, and existing process maps and controls across the enterprise*
- *The problem solving process was reviewed in the following segments – Issue Identification; Analysis; Design Issue Resolution; Monitor/Test Resolution and Implementation of Resolution*

Findings

- ◆ The Lake Erie Loop Flow problem (Jan 08 – July 08) was an evolving and complex power system and market monitoring problem

- ◆ Loop flows on the AC bulk power system are complex and can occur by single or combinations of events that can happen inside or external to the NY Control Area
 - *Transmission outages*
 - *Generation outages*
 - *Changes in generation dispatch patterns*
 - *Changes in system demand*
 - *Changes in inter-area transactions*

Findings (continued)

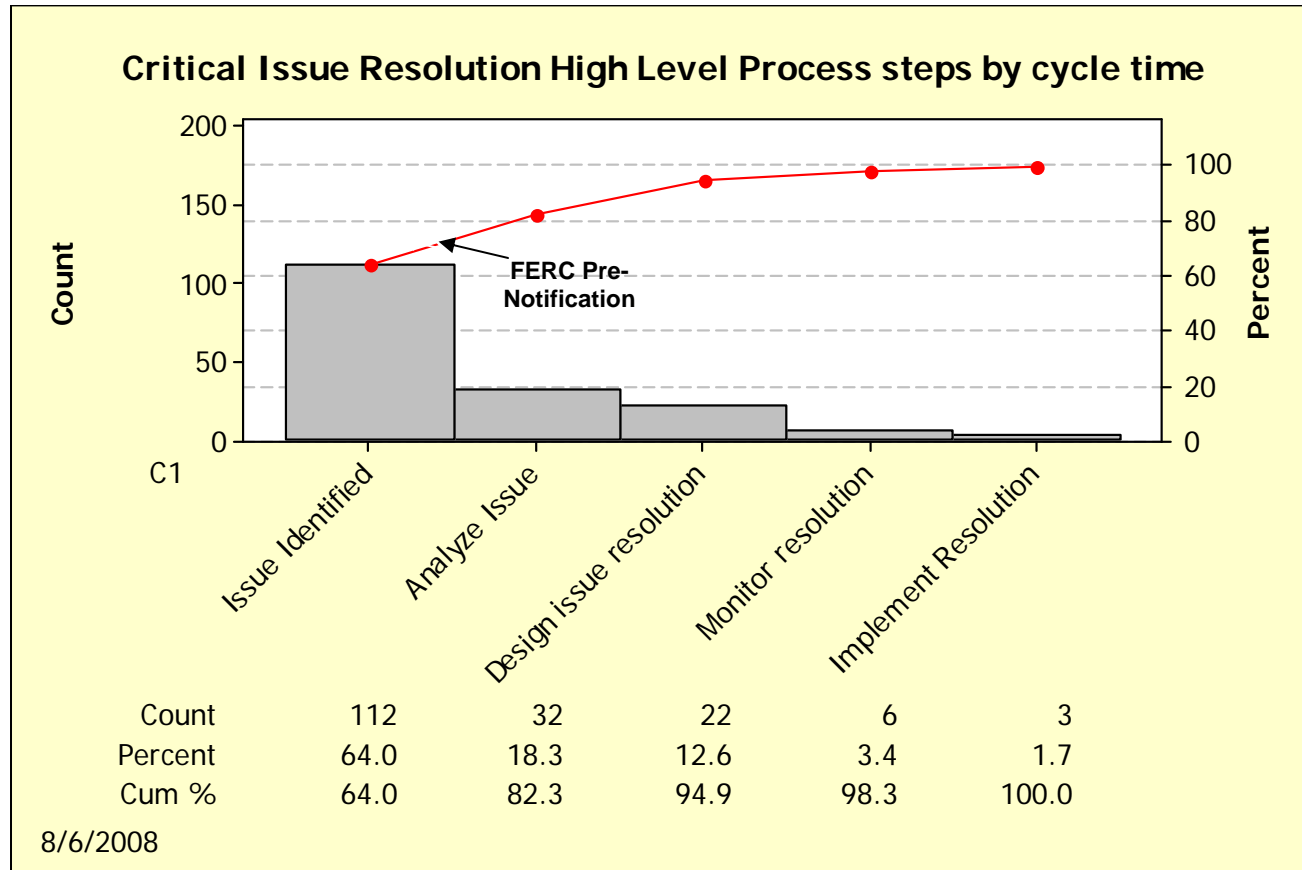
- ◆ When loop flow problems grow to the point of causing reliability problems, the System Operators can invoke the NERC “TLR” process to curtail transactions
- ◆ The NYISO MMU identified the Lake Erie Loop Flow issue long before it became a reliability issue – by monitoring “uplift increases” in daily market operations
- ◆ To this day, the NYISO staff has not found an area of non-compliance with NERC/NPCC standards or NYISO market rules relative to the “circuitous scheduling” around Lake Erie

Findings (continued)

- ◆ Loop flows were not unusual in the first three months, so the issue did not raise significant concerns
 - *This period was the longest single block of time used in the process (110 of 180 days)*

- ◆ Because of restrictive data sharing agreements between all ISO MMUs, data acquisition was a barrier in the issue identification and analysis portion of the problem solving process

Process Cycle Time



Action Plan – Process Improvements

<u>What</u>	<u>Who</u>	<u>When</u>
1. Establish Daily Post Operations Process at PCC <ul style="list-style-type: none"> • <i>Identify and analyze changes in topology, power flows, generation patterns internal to NY and adjacent control areas</i> • <i>Compare findings with Market outcomes</i> • <i>Coordinate with Internal and External MM units</i> 	Rick Gonzales	4Q 08
2. Develop “granular” reporting on the amount and cause of uplift and present to MPs at MC meeting <ul style="list-style-type: none"> • <i>Improve this reporting analysis on an ongoing basis based on feedback from participants.</i> • <i>Post “actual flows” on the NYISO Zone Map</i> 	Rick Gonzales	3Q 08
3. Develop internal procedure to establish “swat team” for critical issue response to include establishment of <ul style="list-style-type: none"> • <i>Project Manager</i> • <i>Regulatory Plan</i> • <i>Communications Plan</i> • <i>Establishment of timetables/deliverables</i> 	Wayne Bailey	4Q 08

Action Plan – Data Acquisition

<u>What</u>	<u>Who</u>	<u>When</u>
1. Establish data acquisition improvement plan with other RTO's <ul style="list-style-type: none"> • <i>Follow-up “Exigent” filing to FERC with ratification by MC for 205 to ensure data acquisition improvements are achieved</i> • <i>Identify other barriers to routine exchange of MMU data including transaction data</i> • <i>Modify RTO data confidentiality agreements accordingly</i> • <i>Explore increased coordination with Potomac Economics in areas that we lack data</i> 	Nicole Bouchez/Rob Fernandez/Alex Schnell	4Q 08
2. Expand “Datamart” project to satisfy MMU requirements	Rich Dewey	4Q 08

Action Plan – Tools

<u>What</u>	<u>Who</u>	<u>When</u>
1. Identify additional tools needed for System Operations and MMU to assist in identification of anomalies in power system and market behavior – such as <ul style="list-style-type: none">• <i>Case comparison – generation dispatch, transmission topology</i>• <i>Uplift analysis</i>• <i>Inter area scheduling analysis</i>	Rick Gonzales/ Nicole Bouchez	4Q 08

New York State Transmission Assessment and Reliability Study

- NYTOs are going to perform a long term study to evaluate the bulk power system infrastructure
 - Study horizon: 2018 through 2028
 - Will complement and supplement the NYISO's planning process
- A robust transmission system is critical to meet the future energy needs of New York State
 - Supports the growth of renewable energy sources
- Focus on use of existing ROWs to mitigate environmental and community concerns
- NYISO will provide technical support for the TO study
 - Provide a forum for stakeholder input and transparency
 - Initial results expected in Spring 2009