
NYISO President's Report

*Management Committee Meeting
May 5, 2004*

Agenda #2

Report Items

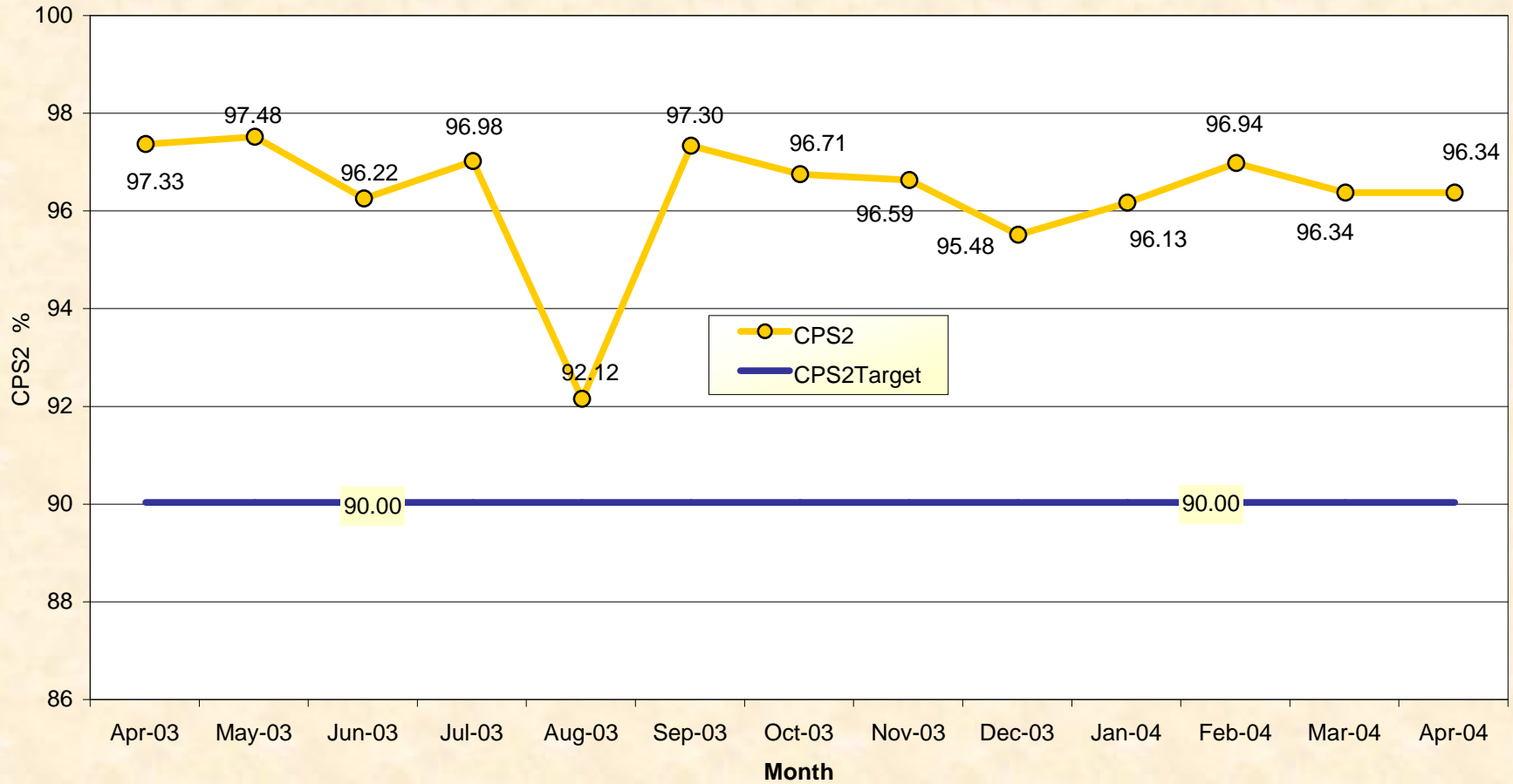
- 1) Market Performance Highlights
- 2) SMD 2.0 Update
- 3) Presentation on Extraordinary Costs

Market Performance Highlights for April, 2004

- LBMP is up slightly in the Day Ahead (3.5%) and Real Time (1.9%) markets and remains low relative to last year (down 1.4% in the Day-Ahead Market and 6.5% in real-time)
- Fuel prices, particularly natural gas, have remained stable for April
- The hourly regulation requirements changed on April 1, 2004, with an average hourly decrease of 65MW per hour (the maximum change was 125 MW and the minimum change was zero) MMP continues to closely monitor this market
- Changes to AMP were deployed on May 1. MMP will be actively monitoring the markets and assessing the effect of the new software

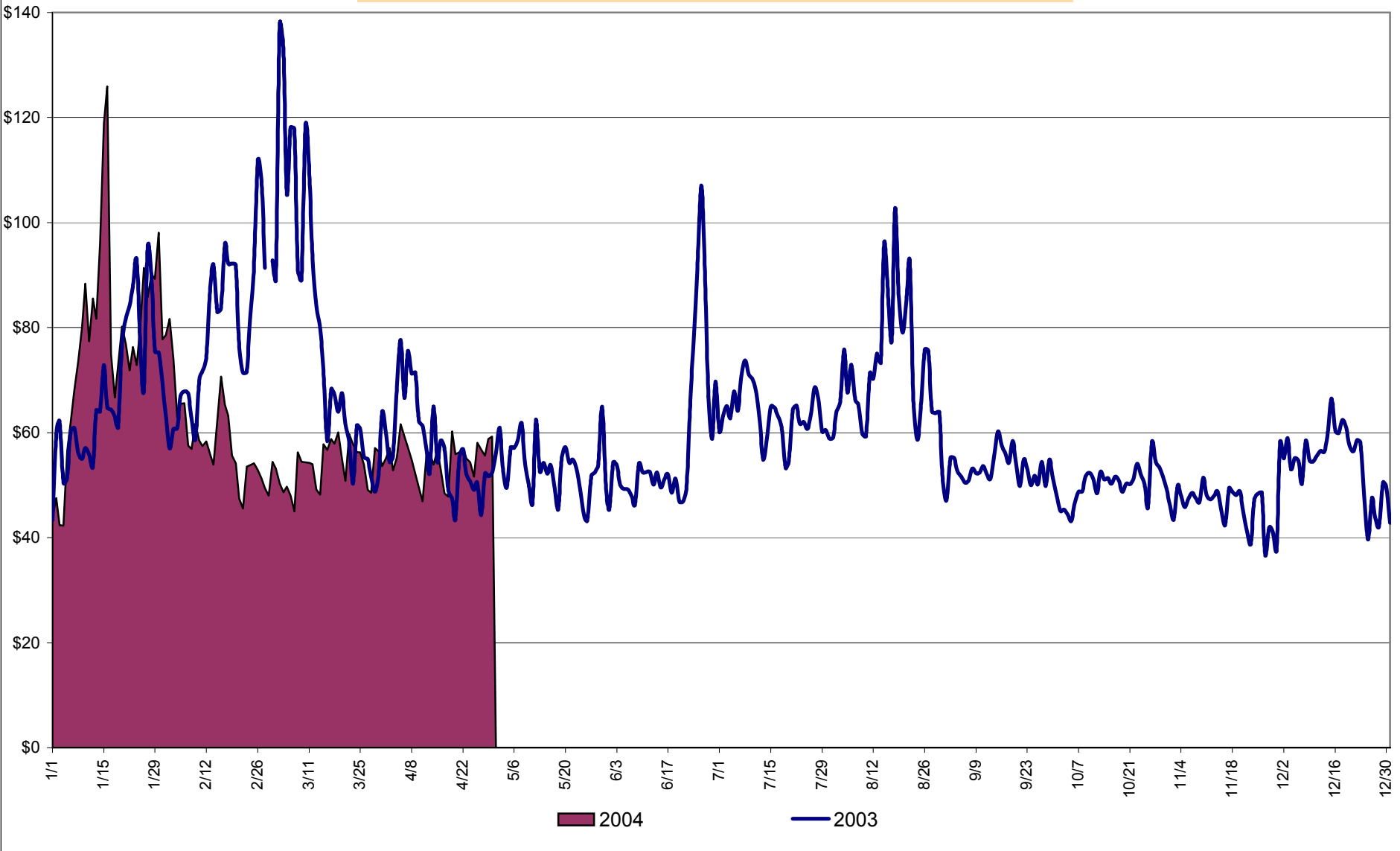
NERC Control Performance Standard

NYISO Compliance
Year 2003/2004



CPS2 for April = 96.34% Compliance Threshold = 90%
CPS2 measures excessive unscheduled power flow resulting from large Area Control Error (ACE)

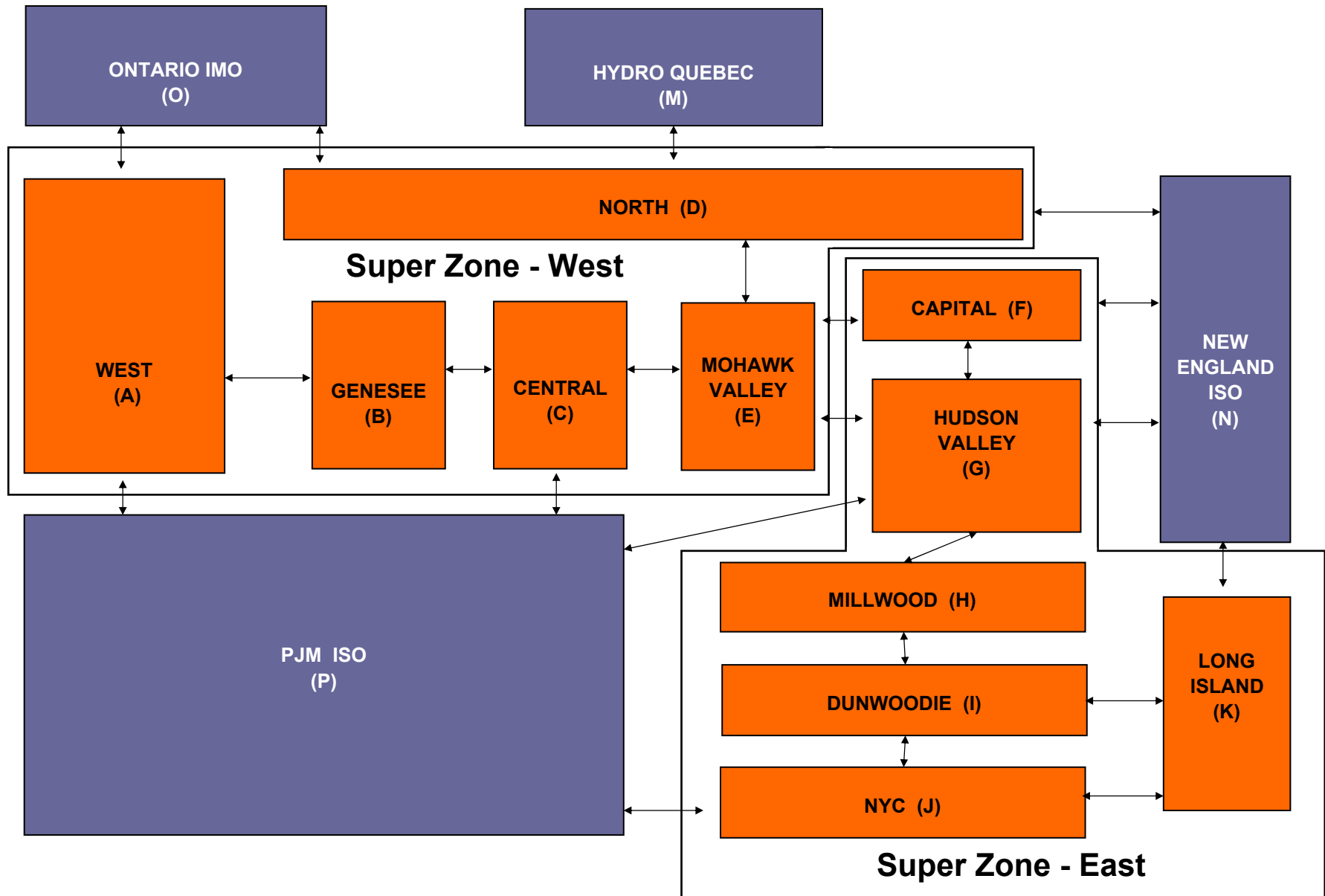
Daily NYISO Average Cost/MWH (Energy & Ancillary Services)*
2003 Annual Average \$62.35/MWH
April 2003 YTD Average \$72.19/MWH
April 2004 YTD Average \$63.00/MWH



4-A

Preliminary thru 4/30/04

NYISO LBMP ZONES

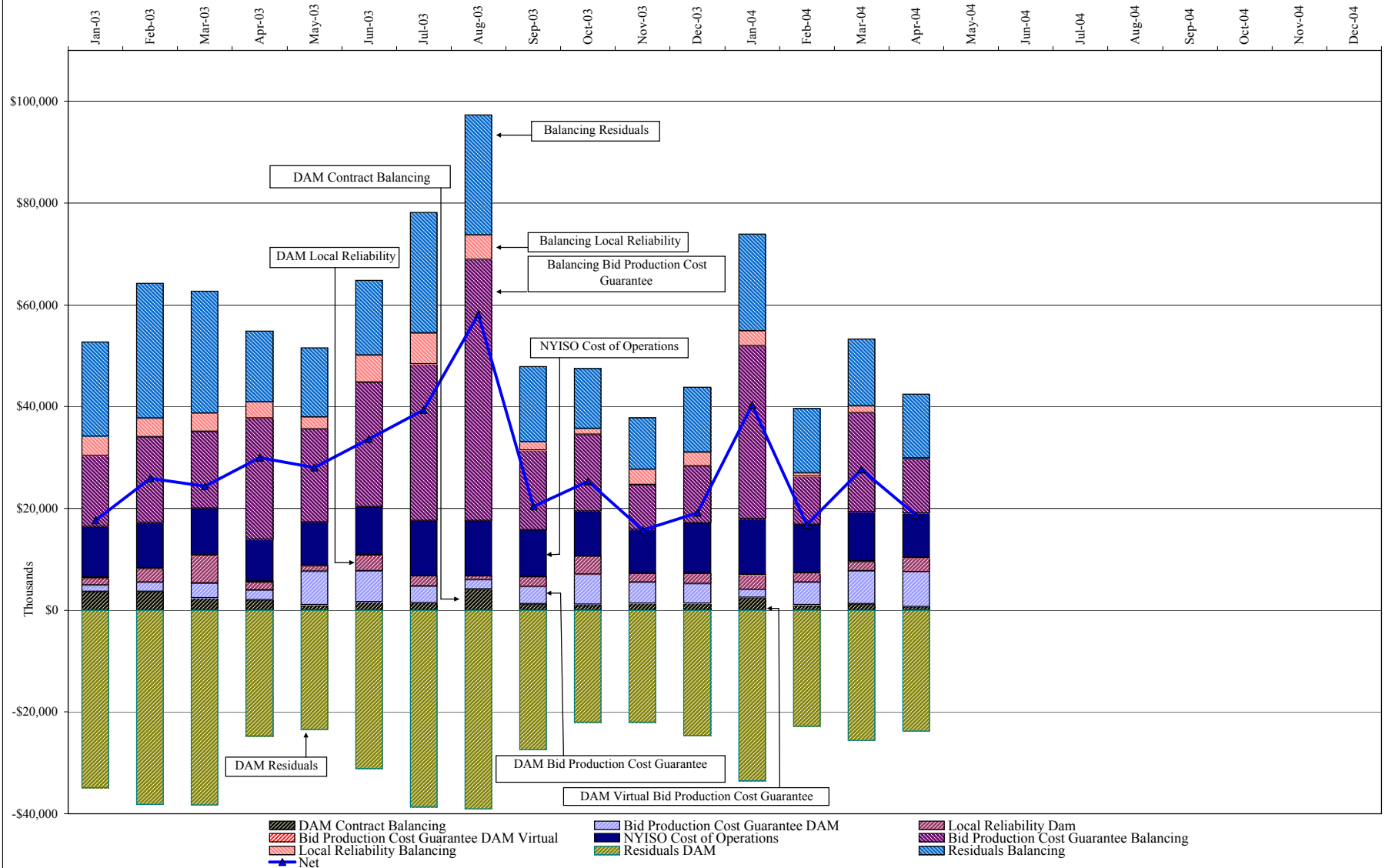


**NYISO Average Cost/MWH (Energy and Ancillary Services)*
from the LBMP Customer point of view**

| 2004 | | January | February | March | April | May | June | July | August | September | October | November | December |
|-------------|---------------------------------|-------------|-------------|-------------|-------------|-----|------|------|--------|-----------|---------|----------|----------|
| | LBMP | 75.70 | 57.11 | 50.60 | 52.54 | | | | | | | | |
| | NTAC | 0.47 | 0.42 | 0.55 | 0.51 | | | | | | | | |
| | Reserve | 0.27 | 0.14 | 0.20 | 0.17 | | | | | | | | |
| | Regulation | 0.18 | 0.31 | 0.25 | 0.13 | | | | | | | | |
| | NYISO Cost of Operations | 0.73 | 0.73 | 0.73 | 0.73 | | | | | | | | |
| | Uplift | 1.88 | 0.47 | 1.25 | 0.77 | | | | | | | | |
| | Voltage Support and Black Start | <u>0.36</u> | <u>0.36</u> | <u>0.36</u> | <u>0.36</u> | | | | | | | | |
| | Avg Monthly Cost | 79.60 | 59.54 | 53.94 | 55.20 | | | | | | | | |
| | Avg YTD Cost | 79.60 | 70.60 | 65.23 | 63.00 | | | | | | | | |

| 2003 | | January | February | March | April | May | June | July | August | September | October | November | December |
|-------------|---------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | LBMP | 66.34 | 76.59 | 78.31 | 54.28 | 49.76 | 57.37 | 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 | 0.32 | 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 | 1.70 | 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 | 53.88 | 61.08 | 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 | 67.45 | 66.79 | 67.72 | 66.19 | 64.70 | 63.14 | 62.39 |

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 | | | | | | | | |
| DAM LSE Internal LBMP Energy Sales | 52% | 50% | 51% | 51% | | | | | | | | |
| DAM External TC LBMP Energy Sales | 4% | 2% | 3% | 3% | | | | | | | | |
| DAM Bilateral - Internal Bilaterals | 41% | 45% | 44% | 44% | | | | | | | | |
| DAM Bilateral - Import/Non-LBMP Market Bilaterals | 1% | 1% | 1% | 0% | | | | | | | | |
| DAM Bilateral - Export/Non-LBMP Market Bilaterals | 1% | 1% | 1% | 1% | | | | | | | | |
| DAM Bilateral - Wheel Through Bilaterals | 1% | 1% | 1% | 1% | | | | | | | | |
| Balancing Energy Market MWH | 367,460 | 269,220 | 508,837 | 181,408 | | | | | | | | |
| Balancing Energy LSE Internal LBMP Energy Sales | 66% | 31% | 61% | 79% | | | | | | | | |
| Balancing Energy External TC LBMP Energy Sales | 57% | 78% | 41% | 50% | | | | | | | | |
| Balancing Energy Bilateral - Internal Bilaterals | -20% | 0% | 0% | -12% | | | | | | | | |
| Balancing Energy Bilateral - Import/Non-LBMP Market Bilaterals | 0% | 1% | 0% | 0% | | | | | | | | |
| Balancing Energy Bilateral - Export/Non-LBMP Market Bilaterals | 0% | 0% | 0% | 2% | | | | | | | | |
| Balancing Energy Bilateral - Wheel Through Bilaterals | -4% | -11% | -3% | -19% | | | | | | | | |
| Transactions Summary | | | | | | | | | | | | |
| LBMP | 58% | 54% | 56% | 55% | | | | | | | | |
| Internal Bilaterals | 40% | 44% | 42% | 43% | | | | | | | | |
| Import Bilaterals | 1% | 1% | 1% | 0% | | | | | | | | |
| Export Bilaterals | 1% | 1% | 1% | 1% | | | | | | | | |
| Wheels Through | 1% | 0% | 1% | 0% | | | | | | | | |
| Market Share of Total Load | | | | | | | | | | | | |
| Day Ahead Market | 97.5% | 97.9% | 96.2% | 98.5% | | | | | | | | |
| Balancing Energy † | 2.5% | 2.1% | 3.8% | 1.5% | | | | | | | | |
| Total MWH | 14,981,764 | 13,075,566 | 13,345,726 | 11,999,725 | | | | | | | | |
| Average Daily Energy Sendout/Month GWh | 464 | 440 | 416 | 393 | | | | | | | | |

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 | \$50.83 | | | | | | | | |
| Standard Deviation | \$25.99 | \$14.40 | \$10.90 | \$11.33 | | | | | | | | |
| Load Wtg.Price ** | \$75.01 | \$56.90 | \$50.44 | \$52.28 | | | | | | | | |
| <u>BME *** LBMP</u> | | | | | | | | | | | | |
| Price * | \$77.51 | \$54.41 | \$53.01 | \$56.59 | | | | | | | | |
| Standard Deviation | \$37.54 | \$15.73 | \$16.25 | \$16.84 | | | | | | | | |
| Load Wtg.Price ** | \$80.51 | \$55.89 | \$54.71 | \$58.44 | | | | | | | | |
| <u>REAL TIME LBMP</u> | | | | | | | | | | | | |
| Price * | \$73.72 | \$52.95 | \$49.56 | \$50.51 | | | | | | | | |
| Standard Deviation | \$32.61 | \$15.04 | \$17.75 | \$13.47 | | | | | | | | |
| Load Wtg.Price ** | \$76.85 | \$54.33 | \$51.27 | \$51.98 | | | | | | | | |
| Average Daily Energy Sendout/Month GWh | 464 | 440 | 416 | 392 | | | | | | | | |

NYISO Markets 2003 Energy Statistics

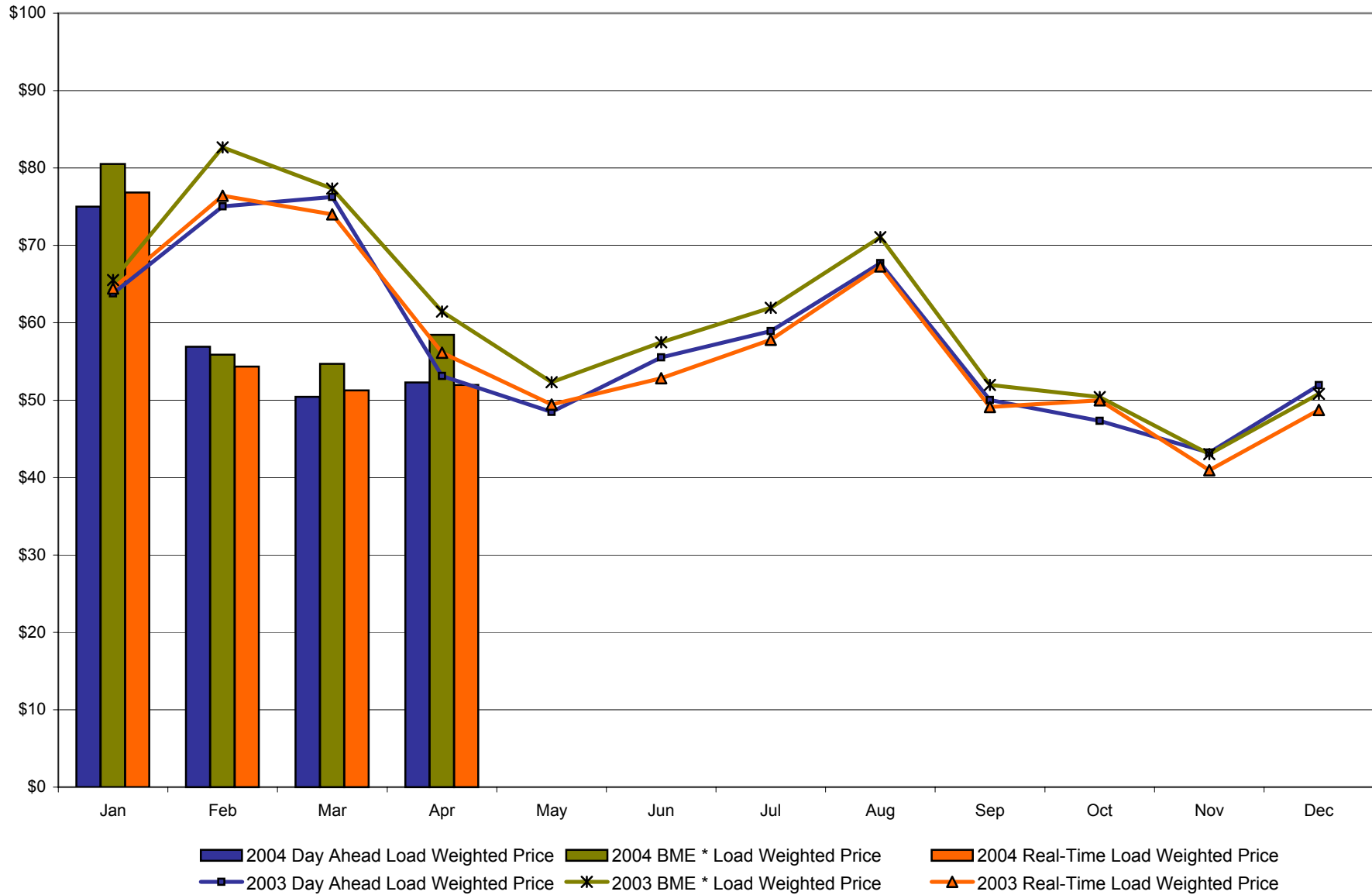
| | January | February | March | April | May | June | July | August | September | October | November | December |
|--|---------|----------|---------|---------|---------|---------|---------|---------|-----------|---------|----------|----------|
| <u>DAY AHEAD LBMP</u> | | | | | | | | | | | | |
| Price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

April 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 * | 43.41 | 46.12 | 46.80 | 46.91 | 47.84 | 49.92 | 49.50 | 49.56 | 50.28 | 55.22 | 54.86 |
| Standard Deviation | 9.75 | 10.37 | 10.01 | 10.38 | 10.43 | 10.85 | 10.73 | 10.92 | 11.19 | 13.42 | 11.53 |
| <u>BME ** LBMP</u> | | | | | | | | | | | |
| Unweighted Price * | 45.70 | 47.42 | 51.10 | 51.05 | 51.90 | 52.99 | 53.92 | 53.61 | 54.35 | 63.66 | 63.79 |
| Standard Deviation | 12.27 | 12.66 | 12.96 | 13.42 | 13.48 | 13.78 | 13.99 | 13.93 | 14.13 | 22.18 | 41.35 |
| <u>REAL TIME LBMP</u> | | | | | | | | | | | |
| Unweighted Price * | 43.28 | 46.63 | 46.93 | 46.75 | 47.97 | 49.94 | 48.22 | 48.64 | 49.37 | 54.76 | 52.45 |
| Standard Deviation | 11.55 | 12.35 | 12.44 | 12.50 | 12.73 | 13.16 | 12.96 | 13.22 | 13.44 | 16.52 | 13.17 |
| | ONTARIO IMO Zone O | HYDRO QUEBEC Zone M | PJM Zone P | NEW ENGLAND Zone N | | | | | | | |
| <u>DAY AHEAD LBMP</u> | | | | | | | | | | | |
| Unweighted Price * | 42.71 | 47.36 | 44.88 | 49.80 | | | | | | | |
| Standard Deviation | 9.57 | 10.24 | 10.83 | 10.93 | | | | | | | |
| <u>BME ** LBMP</u> | | | | | | | | | | | |
| Unweighted Price * | 44.78 | 51.55 | 49.07 | 53.45 | | | | | | | |
| Standard Deviation | 12.22 | 13.08 | 14.26 | 14.07 | | | | | | | |
| <u>REAL TIME LBMP</u> | | | | | | | | | | | |
| Unweighted Price * | 43.75 | 47.42 | 44.78 | 48.96 | | | | | | | |
| Standard Deviation | 11.93 | 12.70 | 12.59 | 13.16 | | | | | | | |

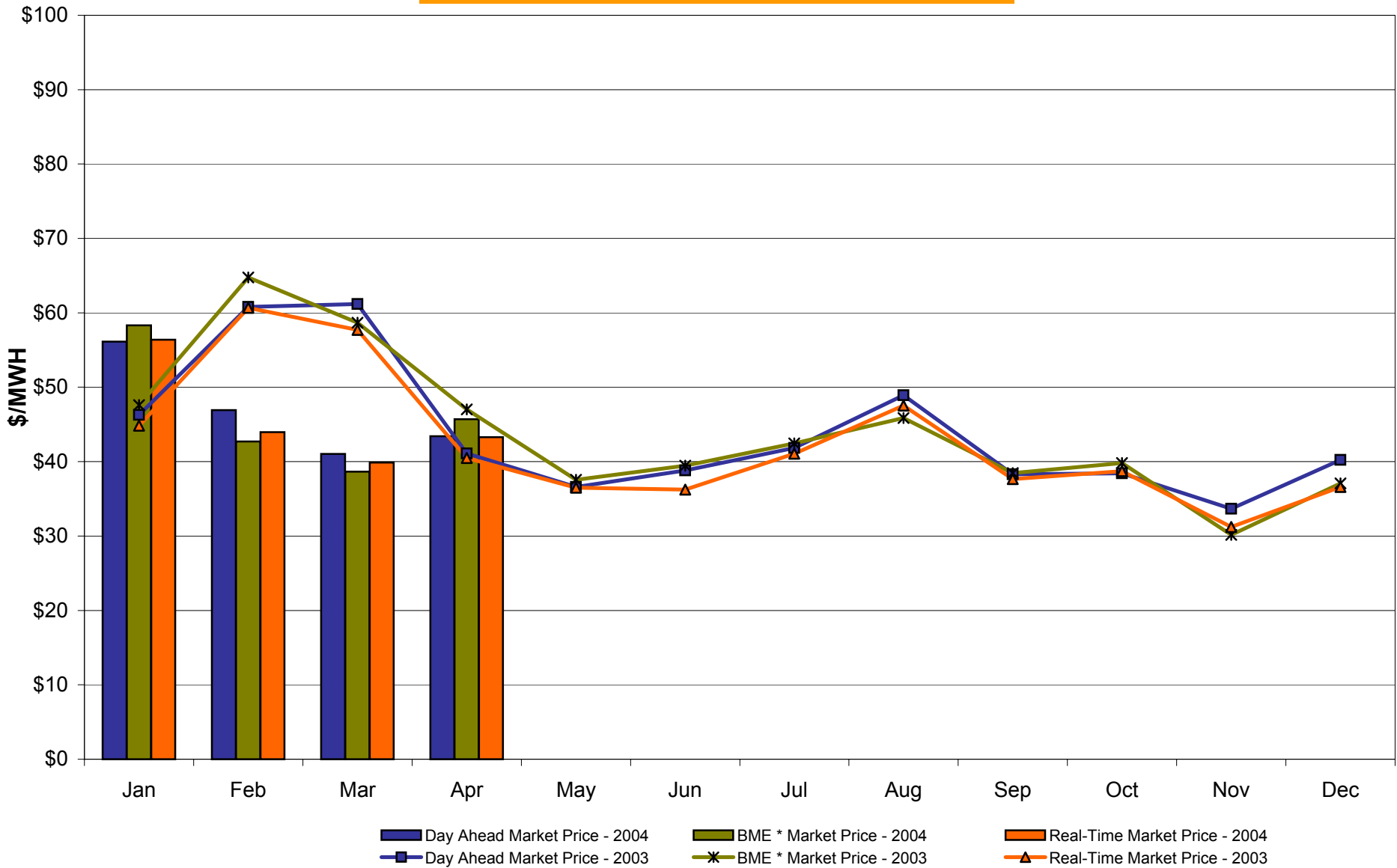
* Straight zonal LBMP averages

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

4-G

Preliminary thru 4/26/04

West Zone A Monthly Average LBMP Prices 2003 - 2004

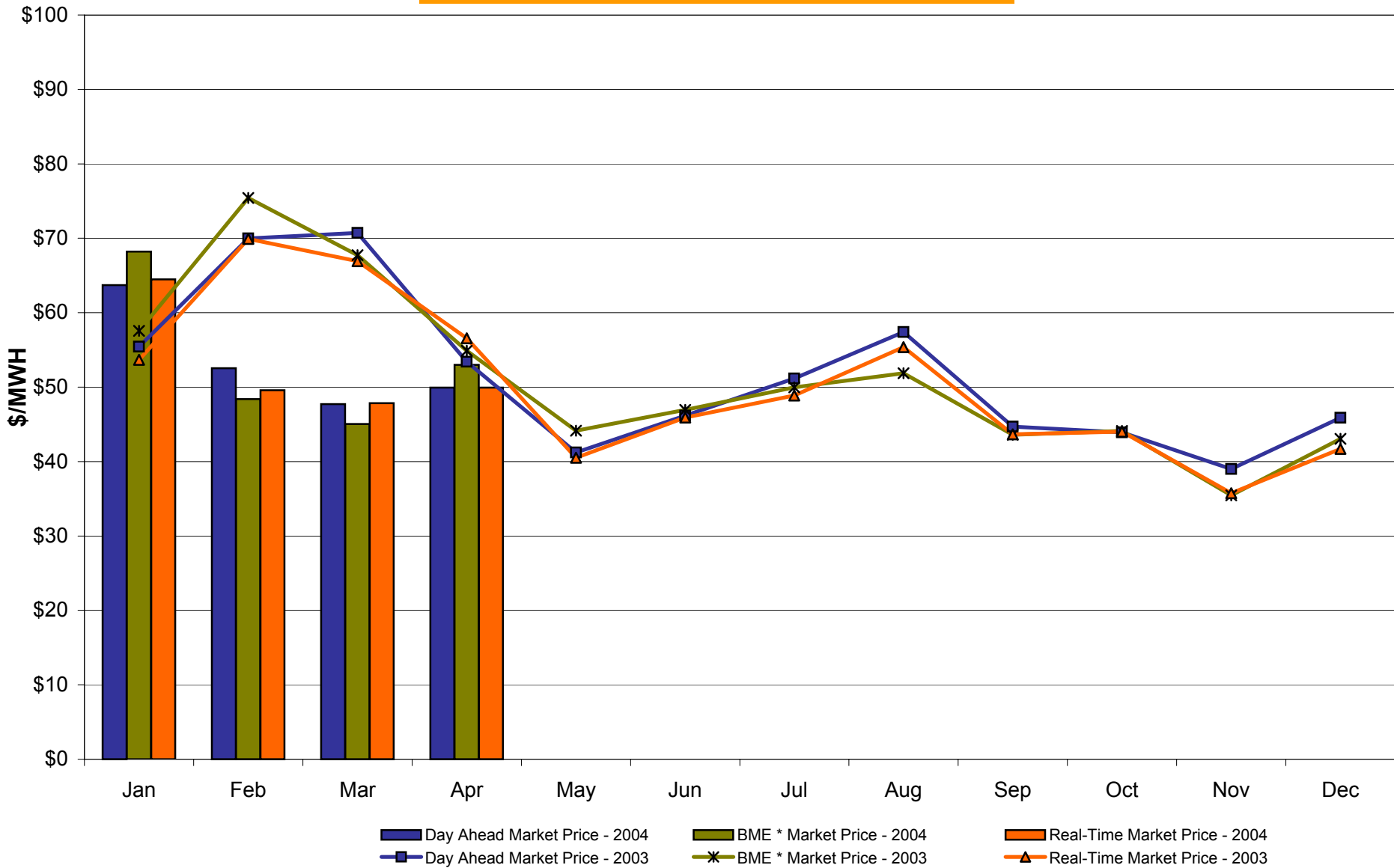


4-H

* Commonly referred to as Hour Ahead Market (HAM)

Preliminary thru 4/26/04

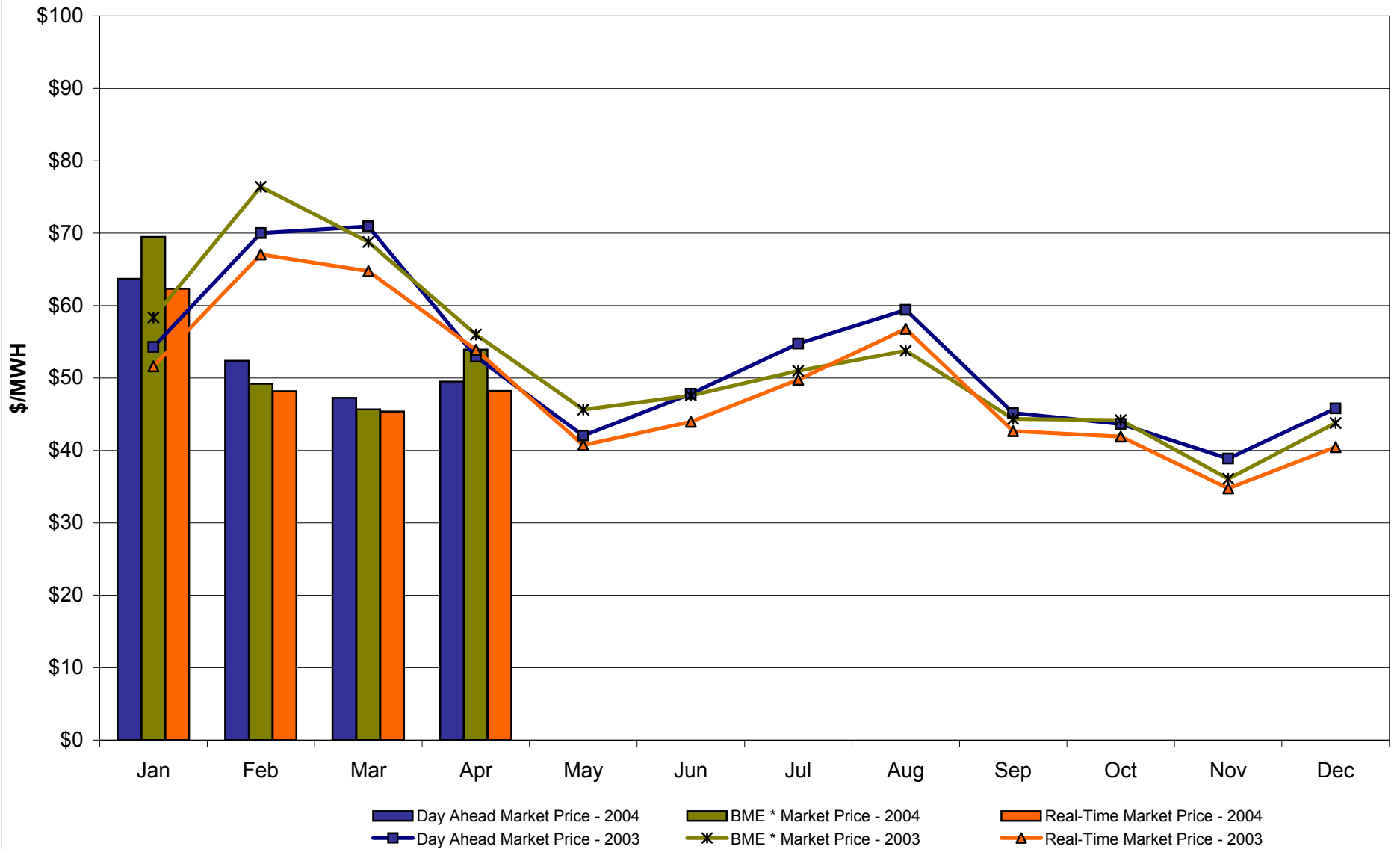
Capital Zone F Monthly Average LBMP Prices 2003 - 2004



* Commonly referred to as Hour Ahead Market (HAM)

Preliminary thru 4/26/04

Hudson Valley Zone G Monthly Average LBMP Prices 2003 - 2004

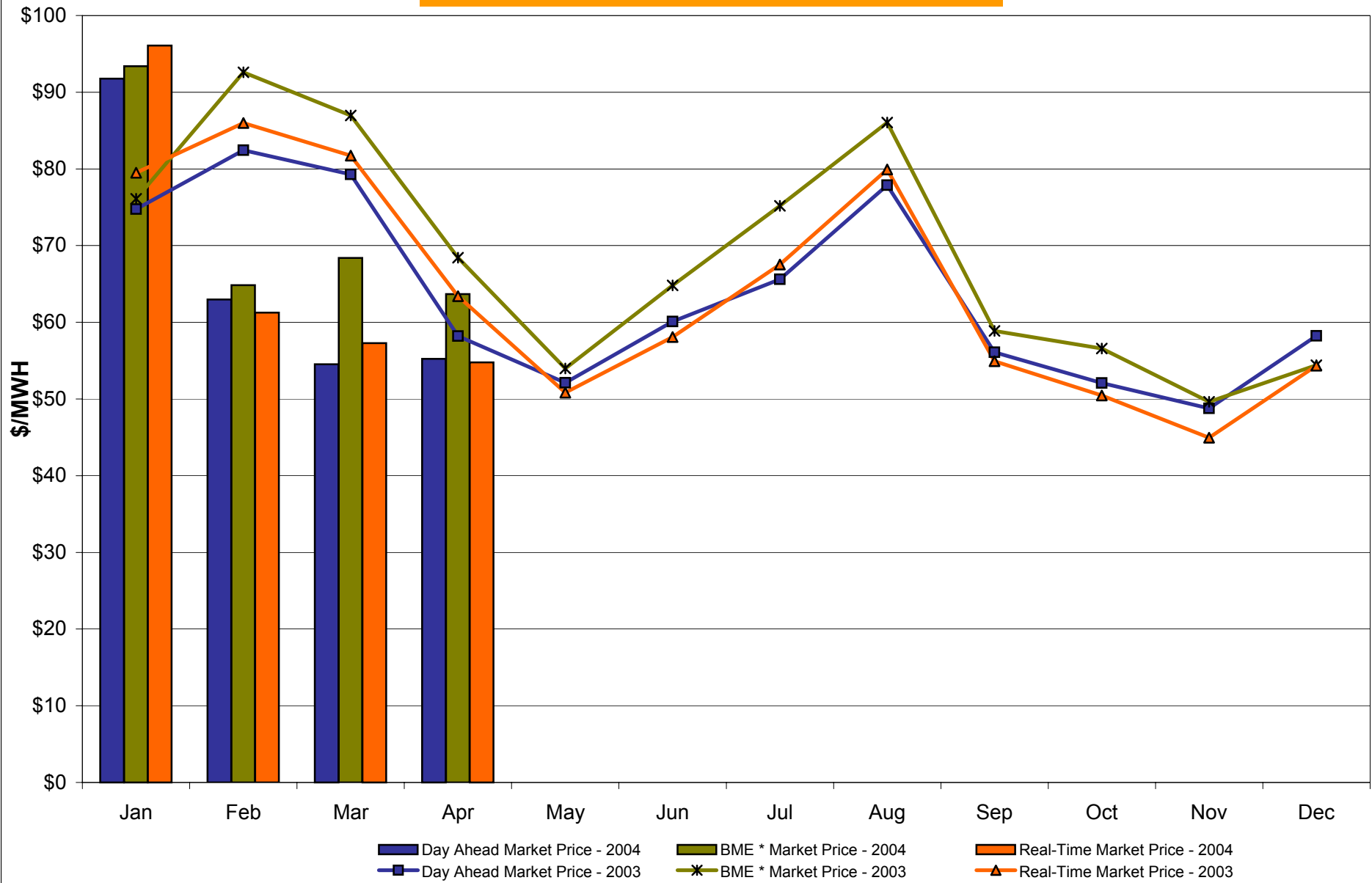


4-J

Preliminary thru 4/26/04

* Commonly referred to as Hour Ahead Market (HAM)

NYC Zone J Monthly Average LBMP Prices 2003 - 2004

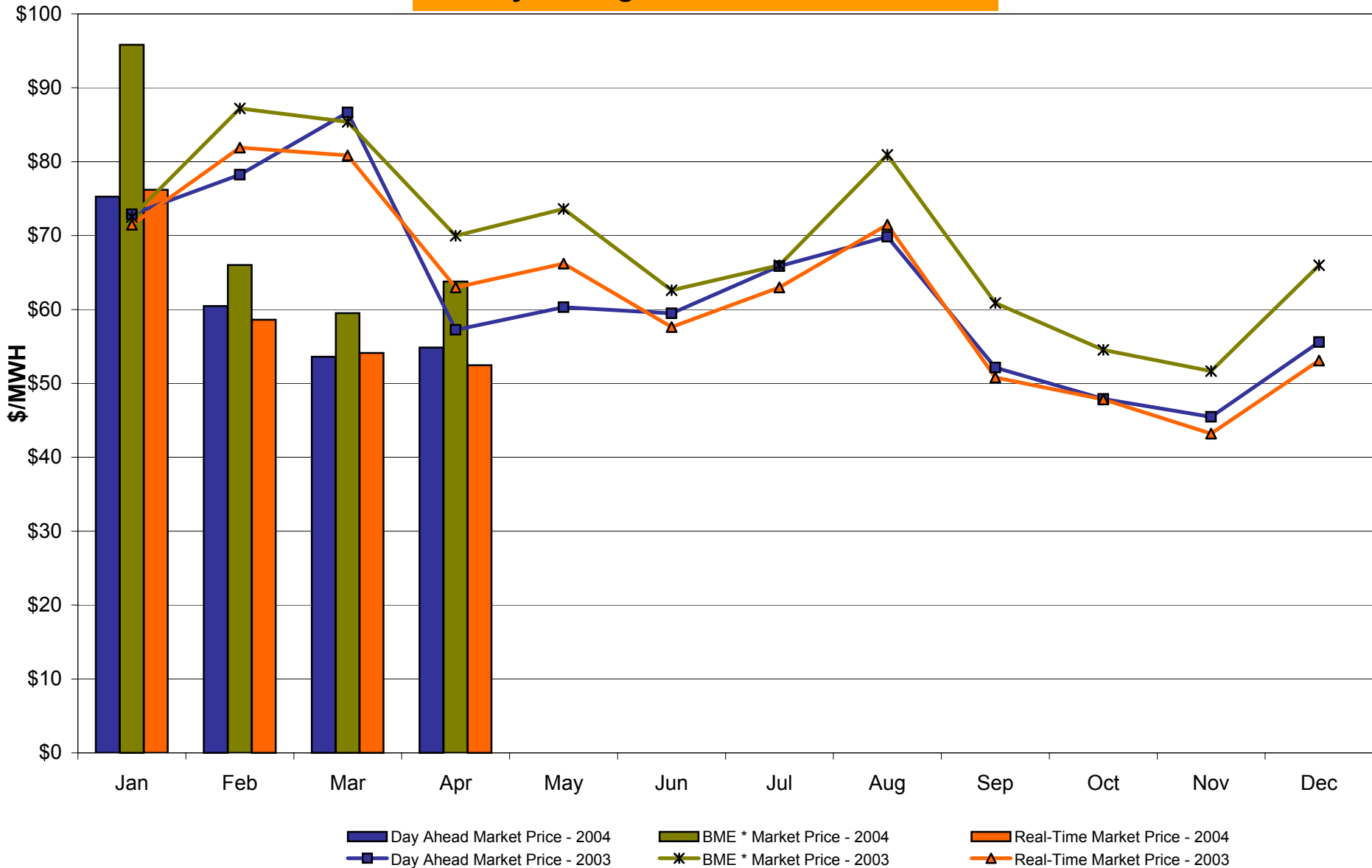


4-K

* Commonly referred to as Hour Ahead Market (HAM)

Preliminary thru 4/26/04

Long Island Zone K Monthly Average LBMP Prices 2003 - 2004

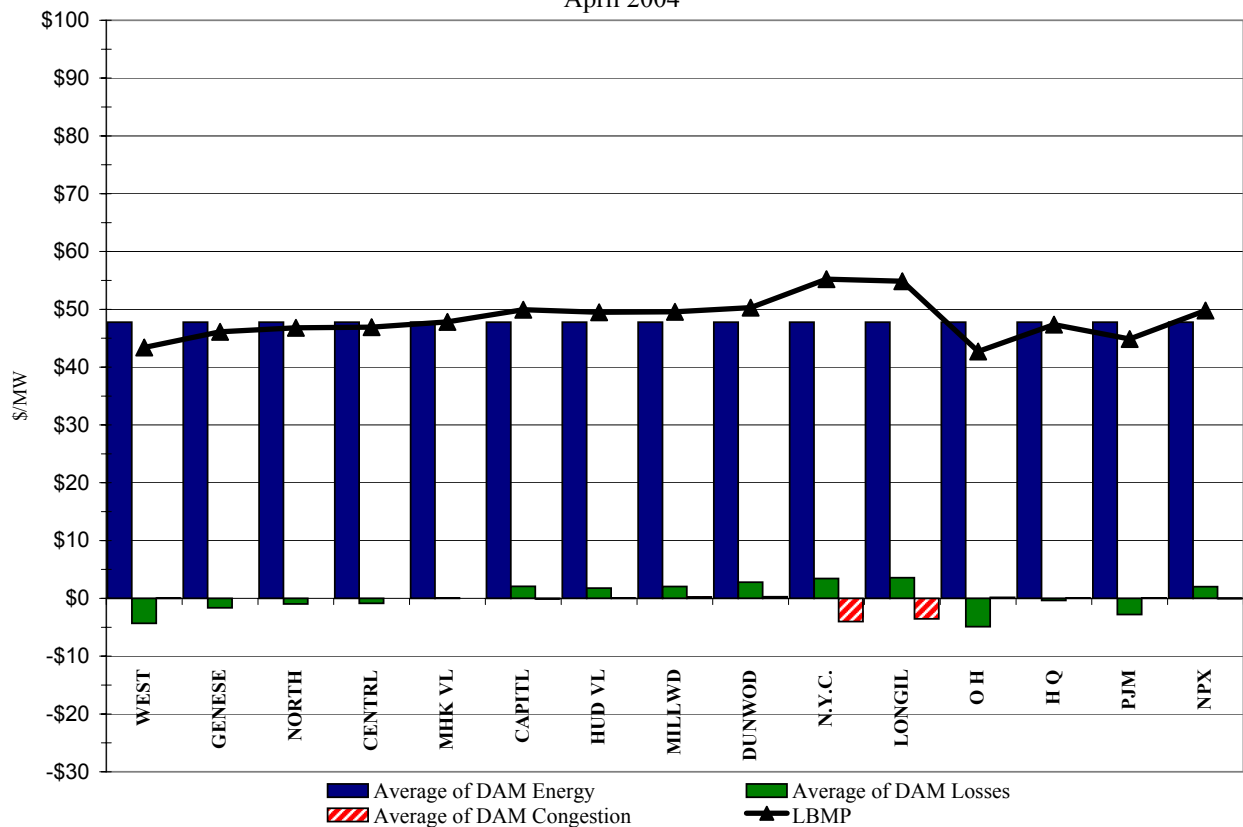


4-L

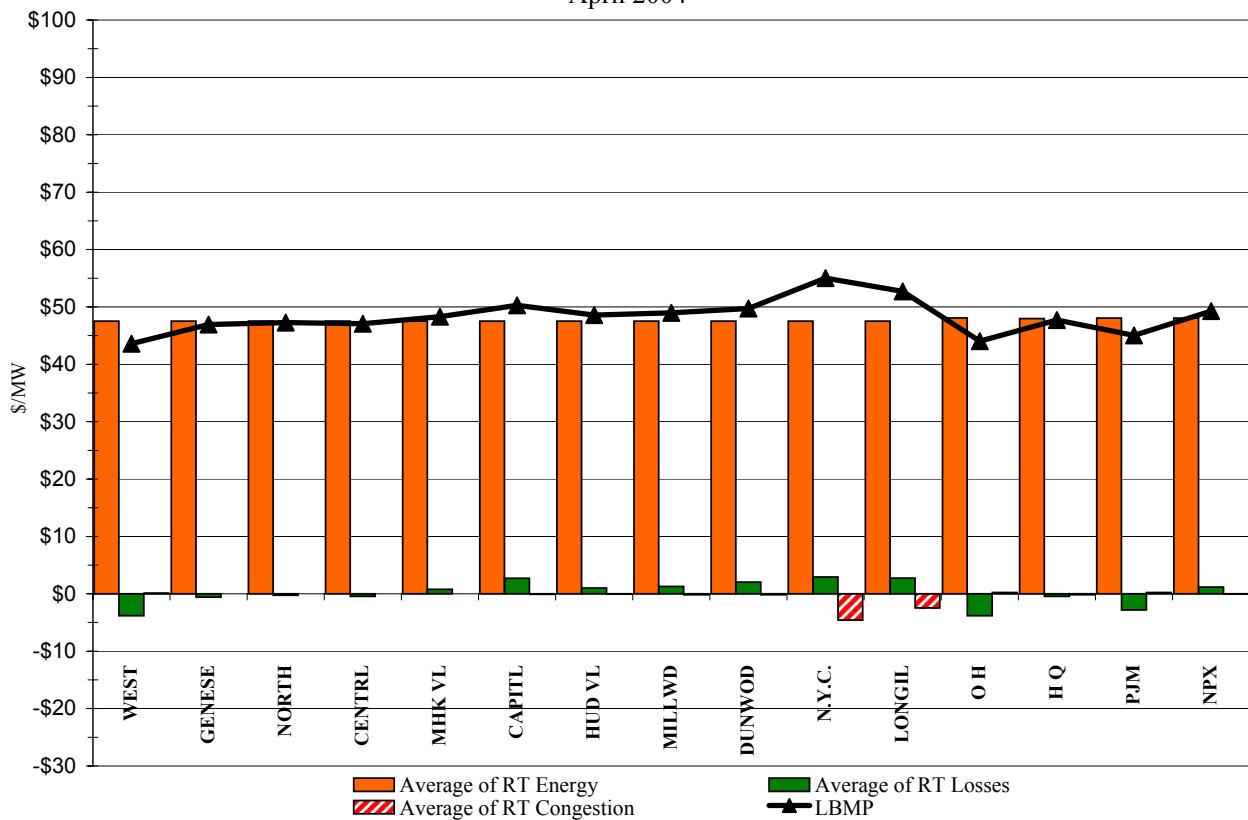
* Commonly referred to as Hour Ahead Market (HAM)

Preliminary thru 4/26/04

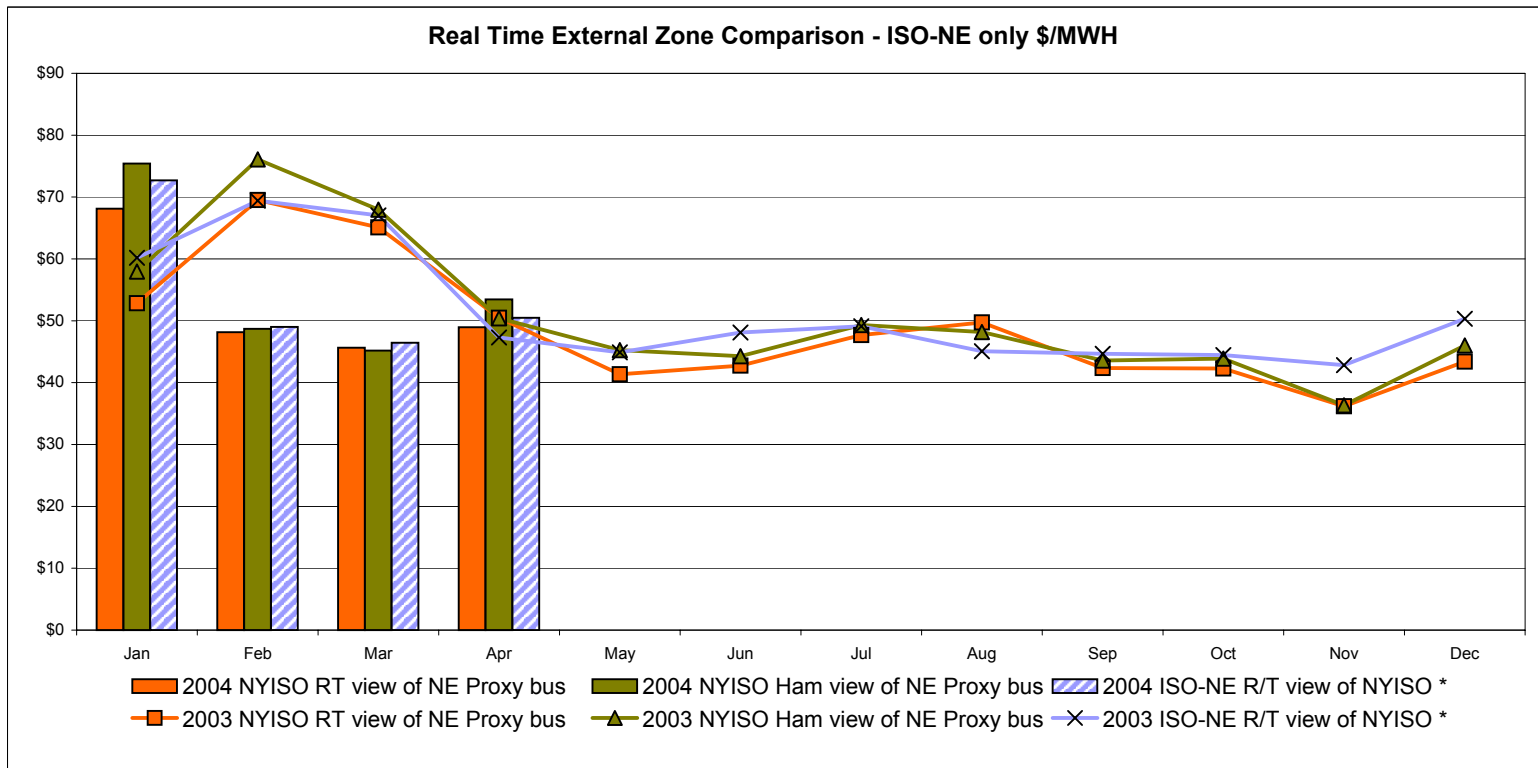
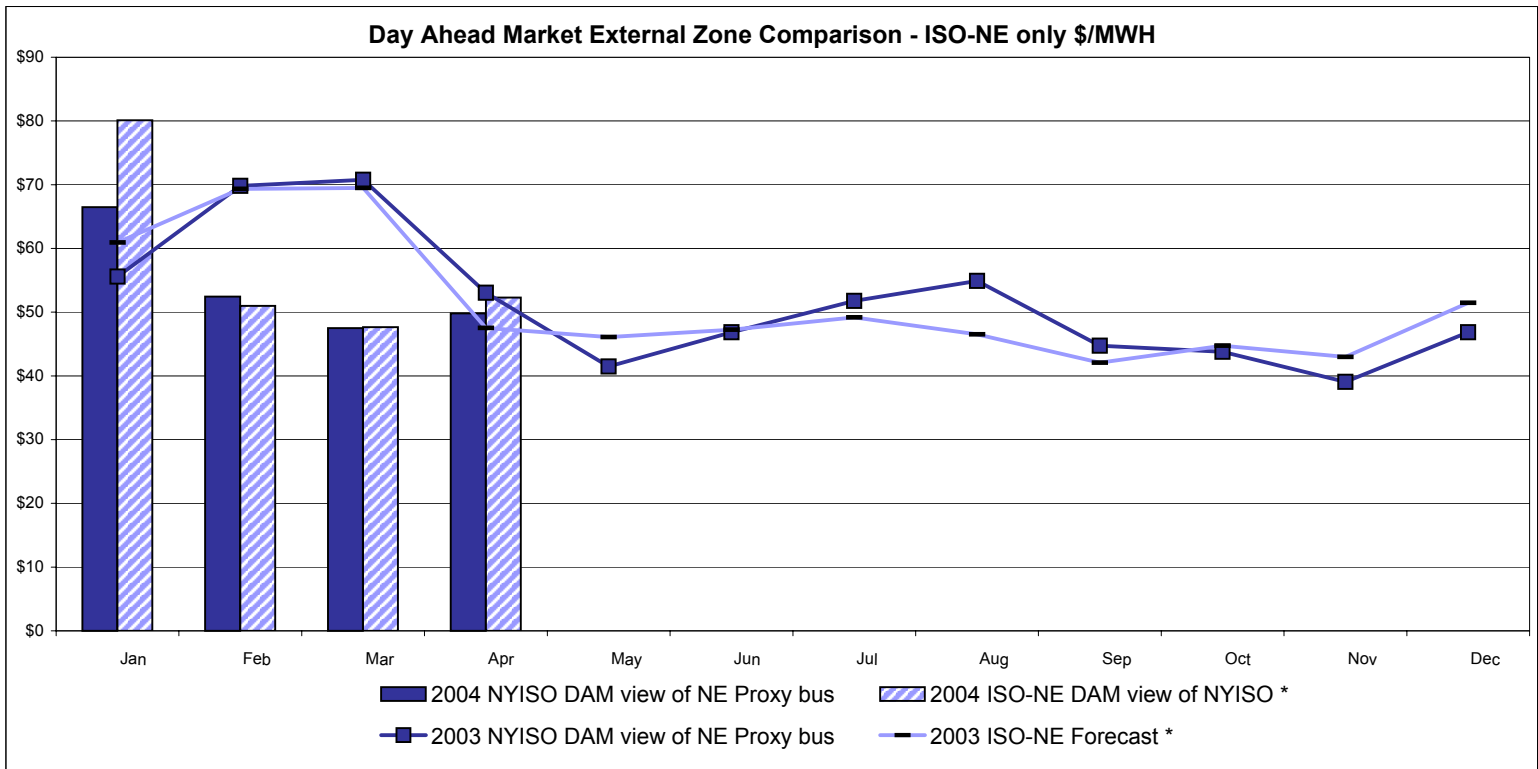
DAM Zonal Unweighted Monthly Average LBMP Components
April 2004



RT Zonal Unweighted Monthly Average LBMP Components
April 2004



External Comparison ISO-NE

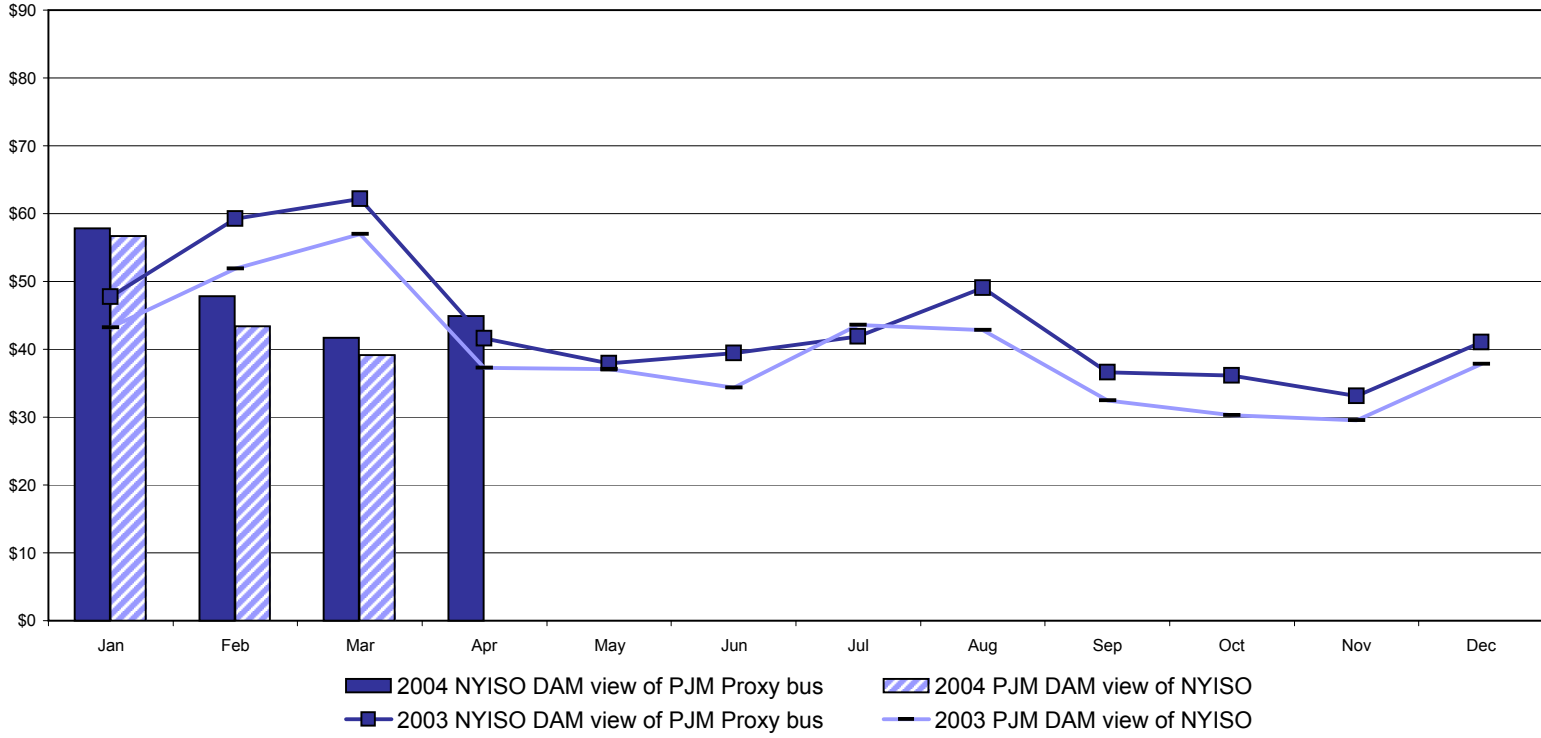


Note:
 ISO-NE Forecast is an advisory posting @ 18:00 day before
 * Effective 3/1/2003 SMD implemented by ISO-NE. The DAM and R/T prices at the Roseton interface are now used.

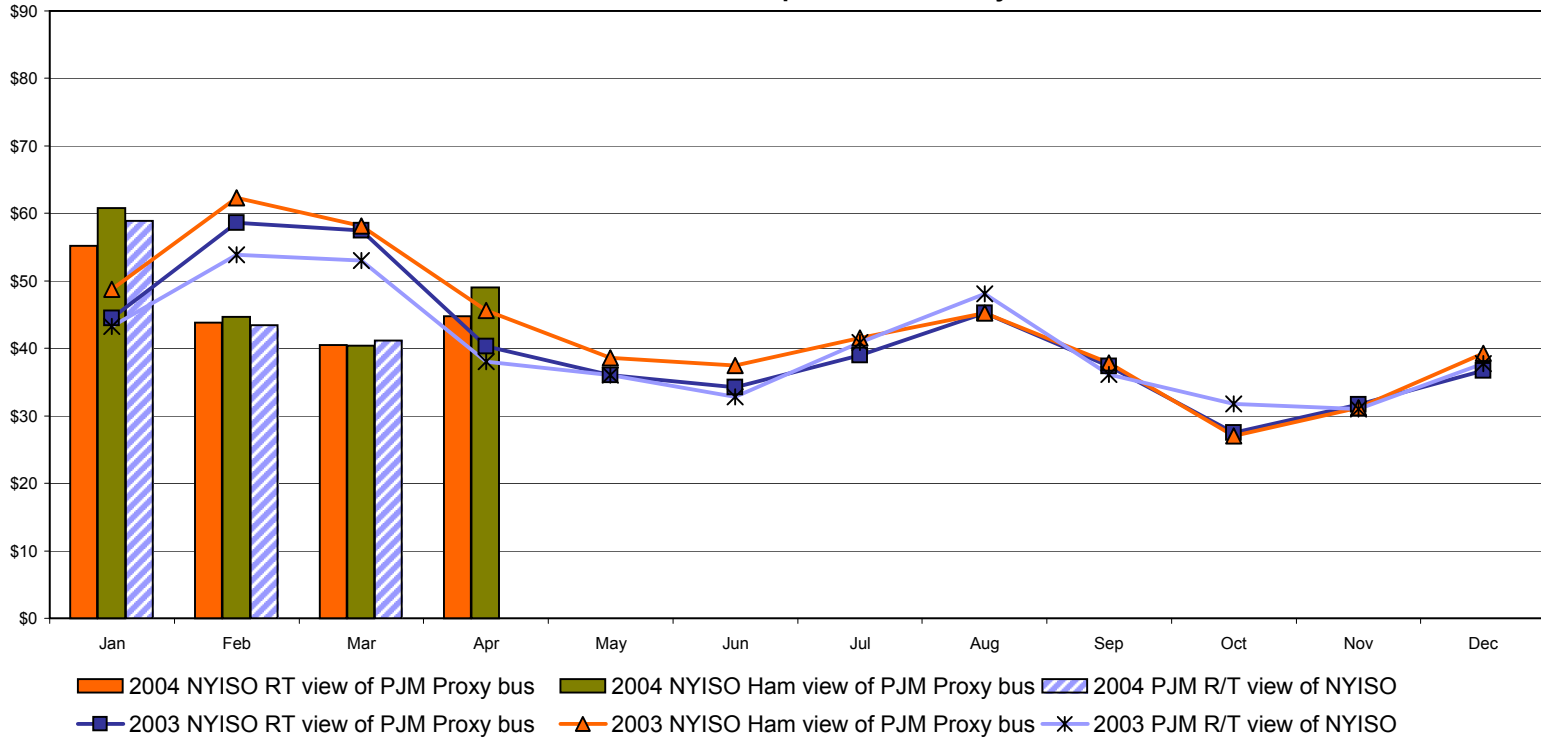
4-N
 Preliminary thru 4/22/04

External Comparison PJM

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

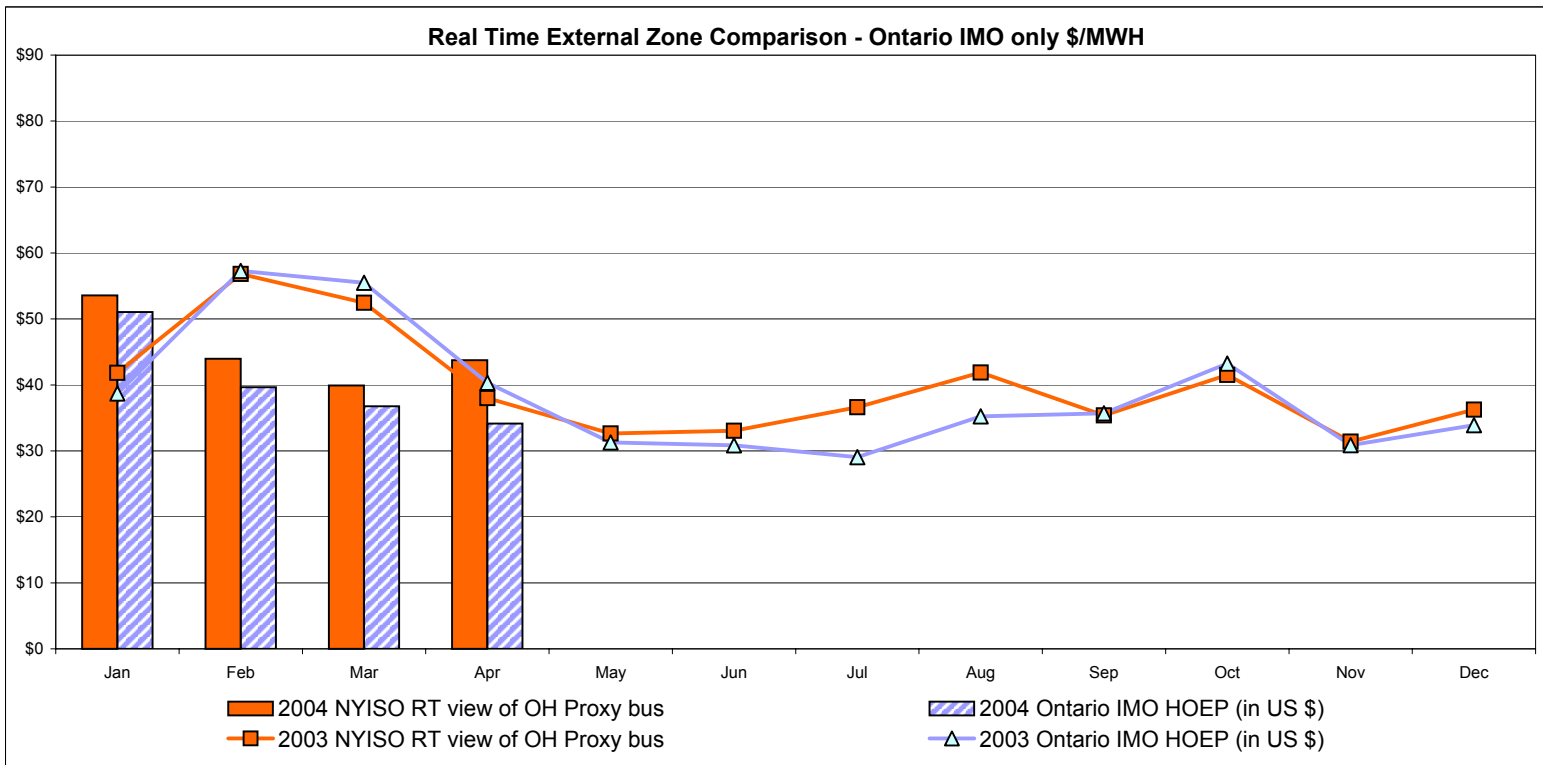
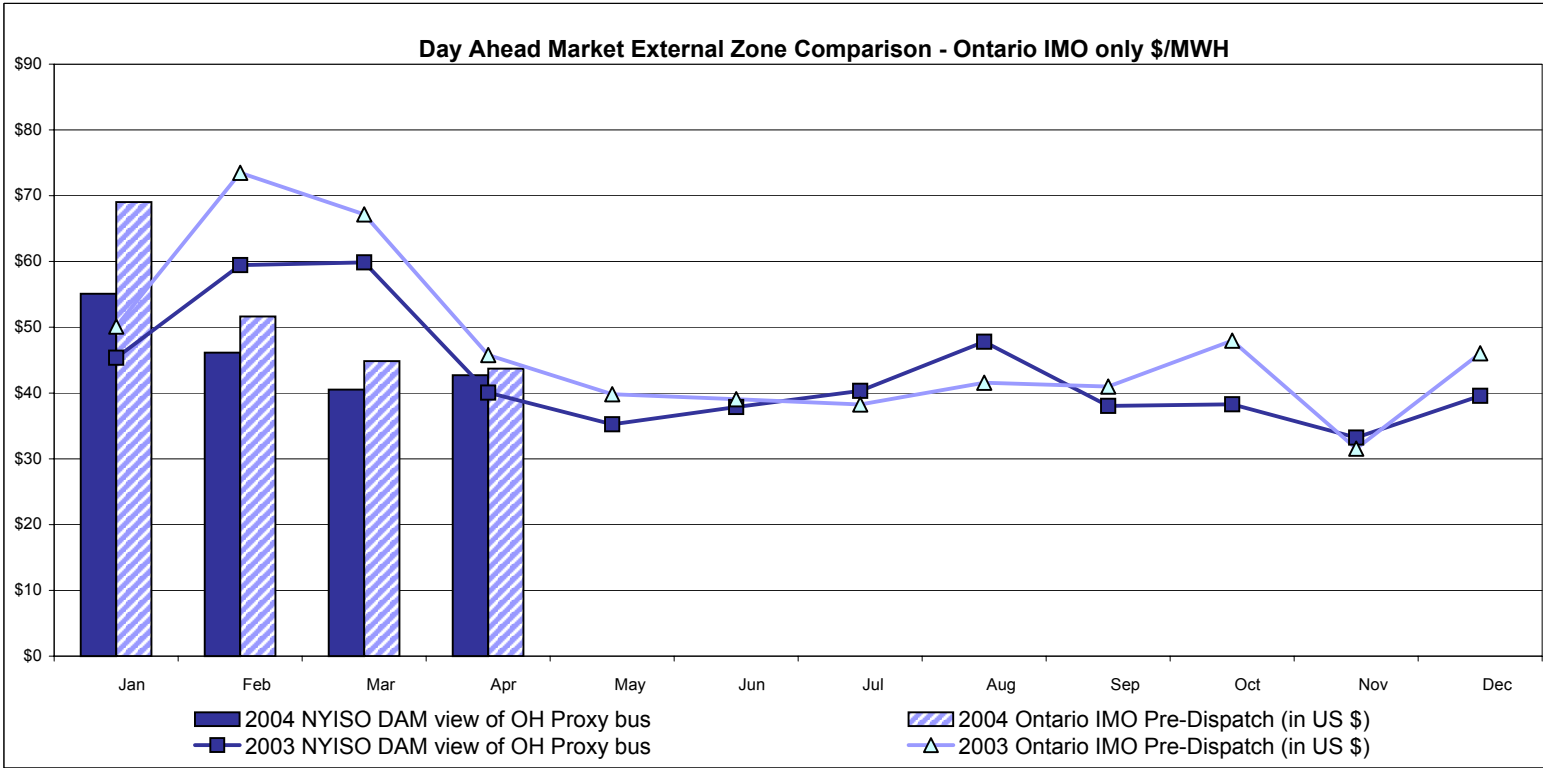


Real Time External Zone Comparison - PJM only \$/MWH



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

External Comparison Ontario IMO



Notes: Exchange factor used for April 2004 was .75 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

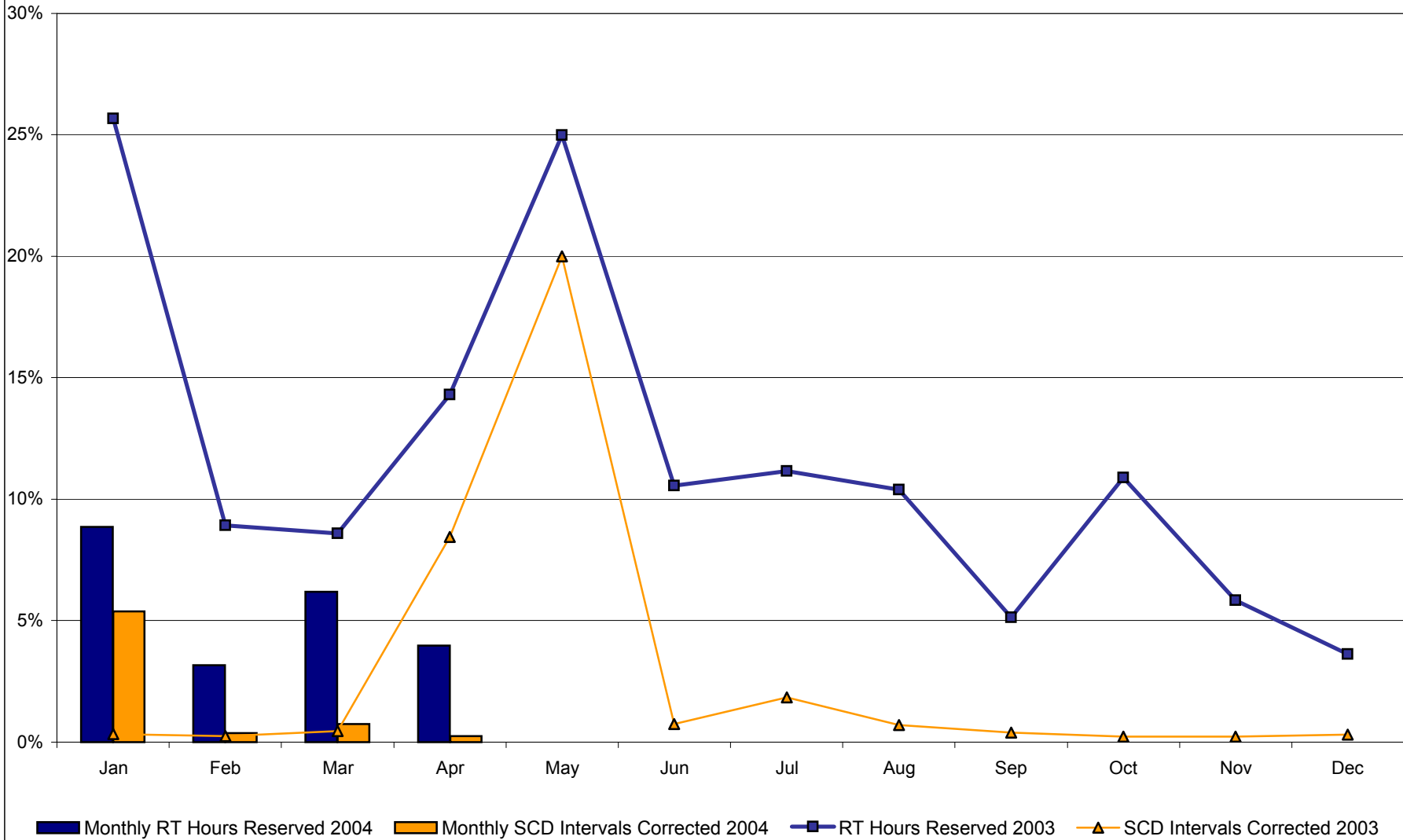
| <u>Interval Corrections</u> | January | February | March | April | May | June | July | August | September | October | November | December |
|--|---------|----------|--------|--------|-----|------|------|--------|-----------|---------|----------|----------|
| Number of Intervals corrected in the month | 597 | 40 | 83 | 21 | | | | | | | | |
| Number of Intervals in the month | 11,089 | 10,495 | 11,085 | 8,310 | | | | | | | | |
| Percentage of intervals corrected in the month | 5.38% | 0.38% | 0.75% | 0.25% | | | | | | | | |
| Number of Intervals corrected Year-to-date | 597 | 637 | 720 | 741 | | | | | | | | |
| Number of Intervals Year-to-date | 11,089 | 21,584 | 32,669 | 40,979 | | | | | | | | |
| Percentage of intervals corrected Year-to-date | 5.38% | 2.95% | 2.20% | 1.81% | | | | | | | | |
| <u>Hours Reserved</u> | | | | | | | | | | | | |
| Number of hours reserved in the month | 66 | 22 | 46 | 22 | | | | | | | | |
| Number of hours in the month | 744 | 696 | 744 | 552 | | | | | | | | |
| Percentage of hours reserved in the month | 8.87% | 3.16% | 6.18% | 3.99% | | | | | | | | |
| Number of hours reserved Year-to-date | 66 | 88 | 134 | 156 | | | | | | | | |
| Number of hours Year-to-date | 744 | 1,440 | 2,184 | 2,736 | | | | | | | | |
| Percentage of hours reserved Year-to-date | 8.87% | 6.11% | 6.14% | 5.70% | | | | | | | | |
| <u>Days Without Corrections</u> | | | | | | | | | | | | |
| Days without price corrections in the month | 14 | 20 | 11 | 8 | | | | | | | | |
| Days without price corrections Year-to-date | 14 | 34 | 45 | 53 | | | | | | | | |

NYISO Price Corrections 2003

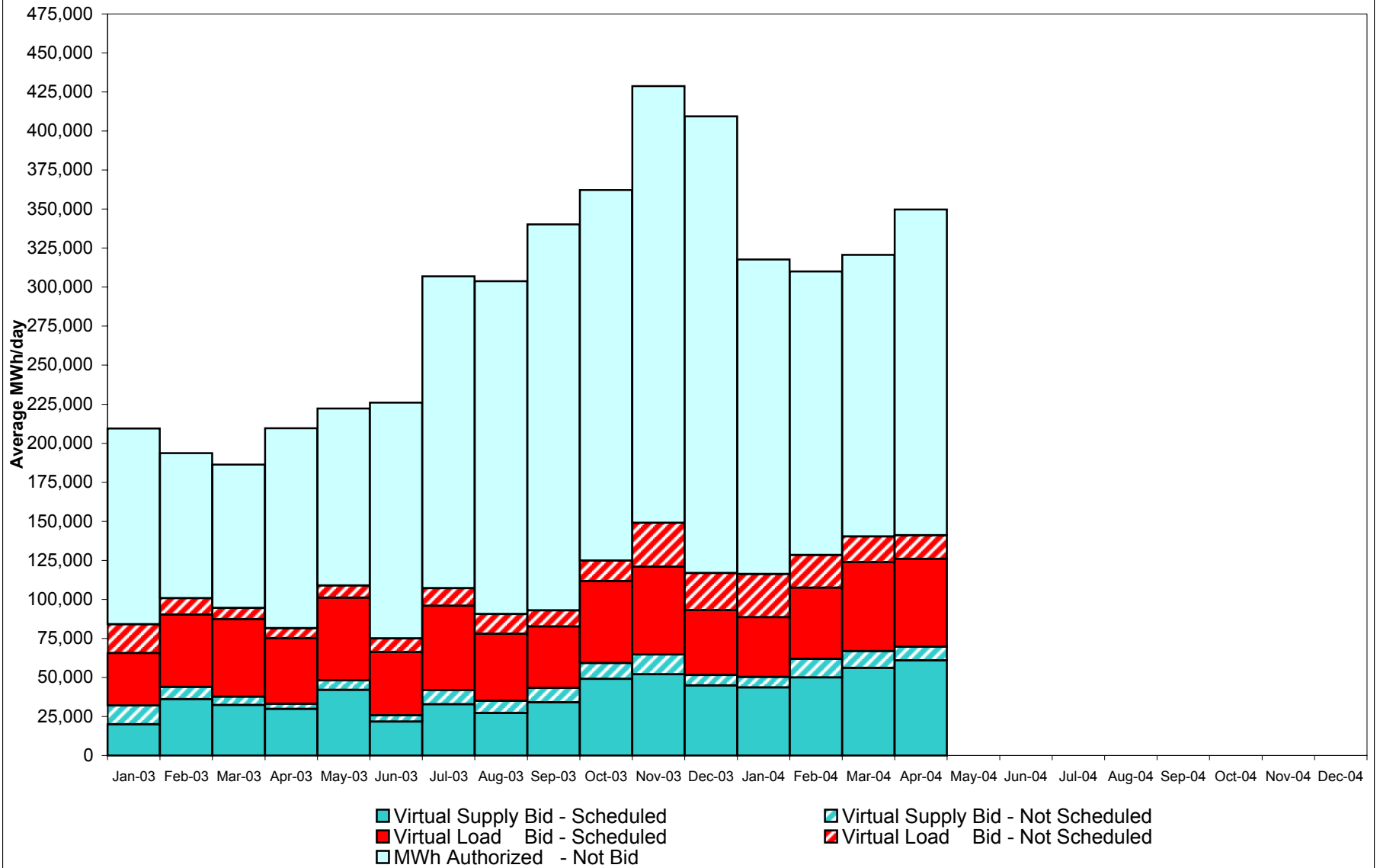
| <u>Interval Corrections</u> | January | February | March | April | May | June | July | August | September | October | November | December |
|--|---------|----------|--------|--------|--------|--------|--------|--------|-----------|---------|----------|----------|
| Number of Intervals corrected in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



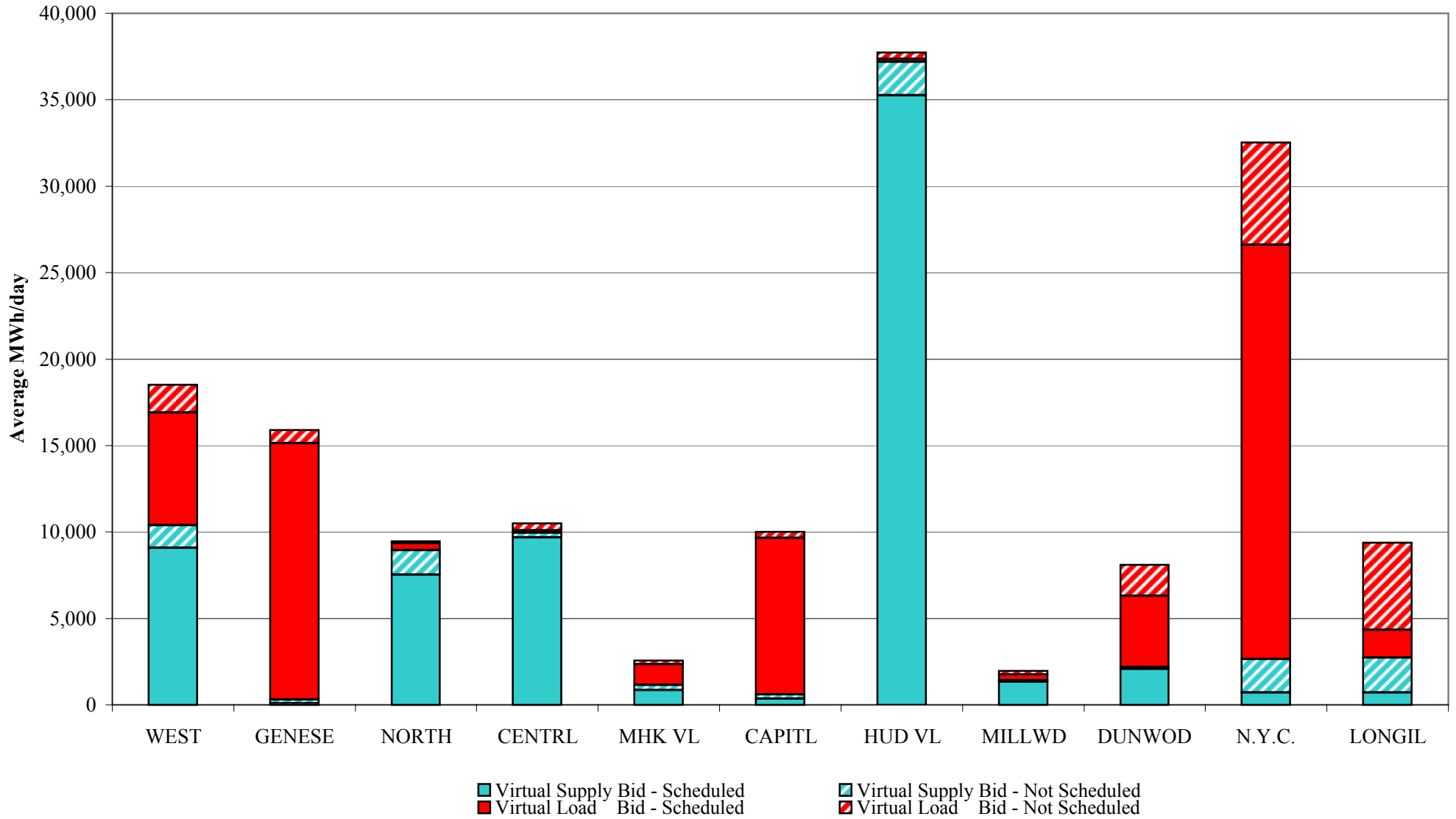
NYISO Virtual Trading Average MWh per day



4-S

Preliminary thru 4/27/04

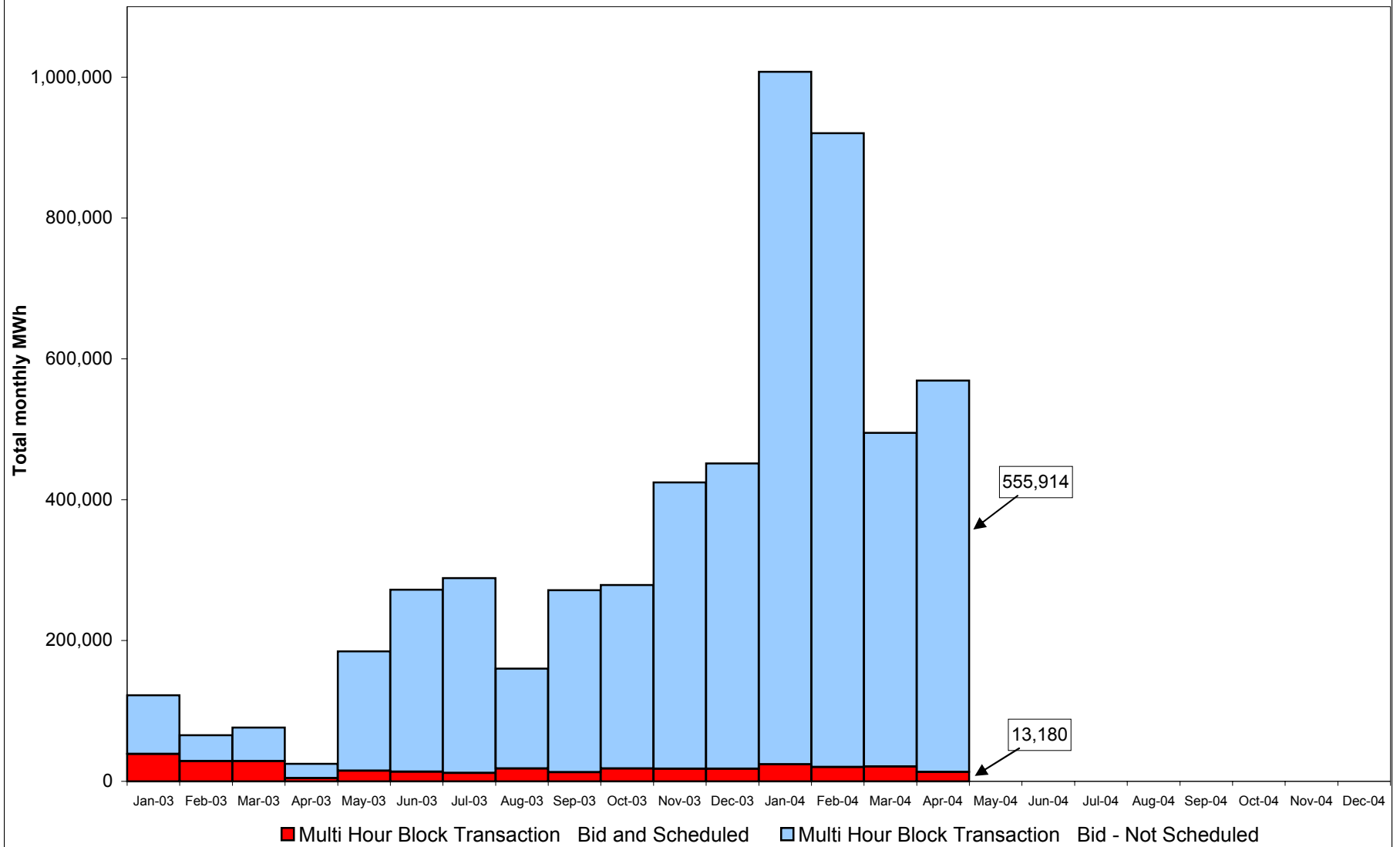
Virtual Load and Supply Zonal Statistics April 2004



4-T

Preliminary thru 4/27/04

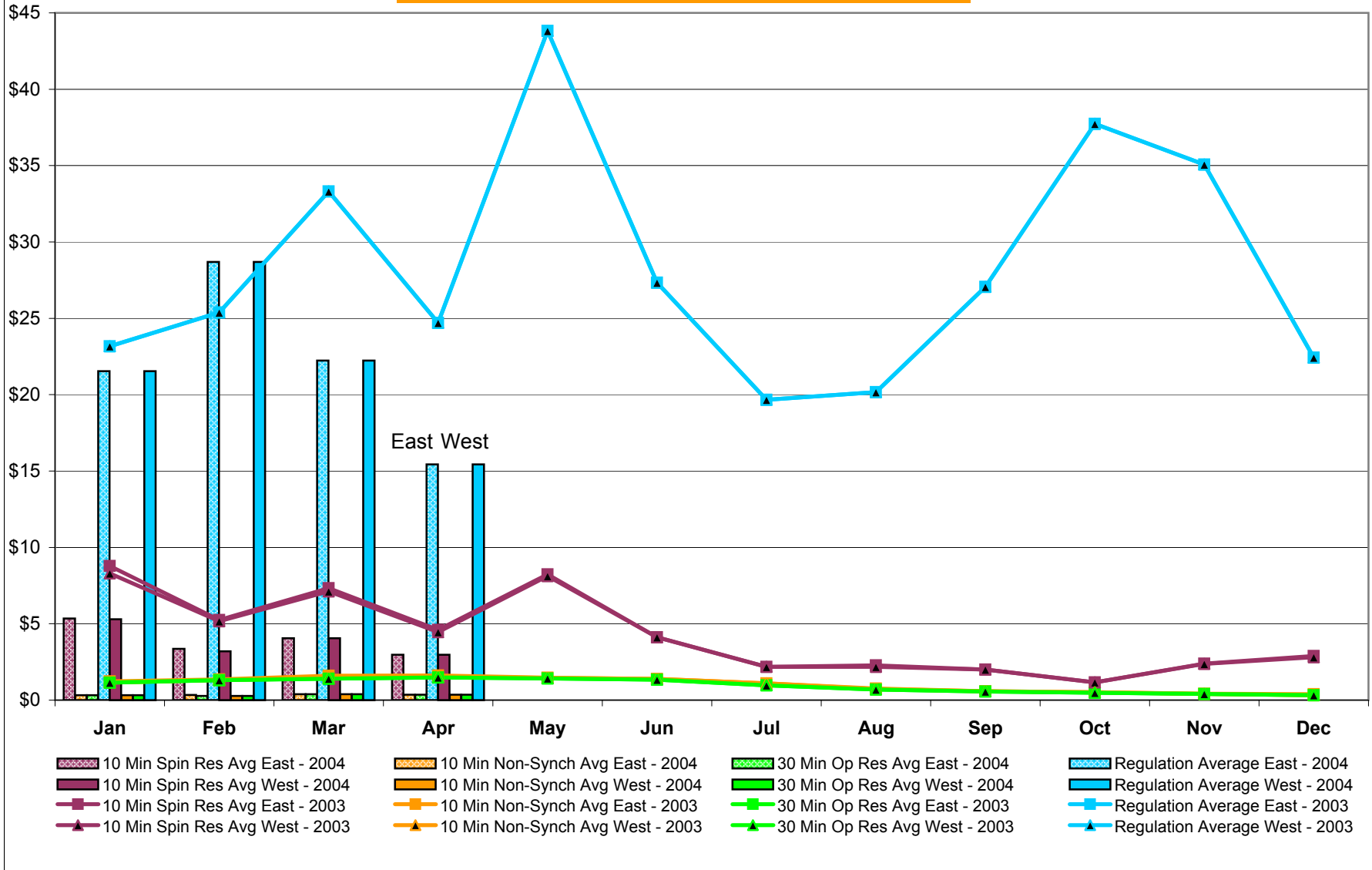
NYISO Multi Hour Block Transactions Monthly Total MWh



4-U

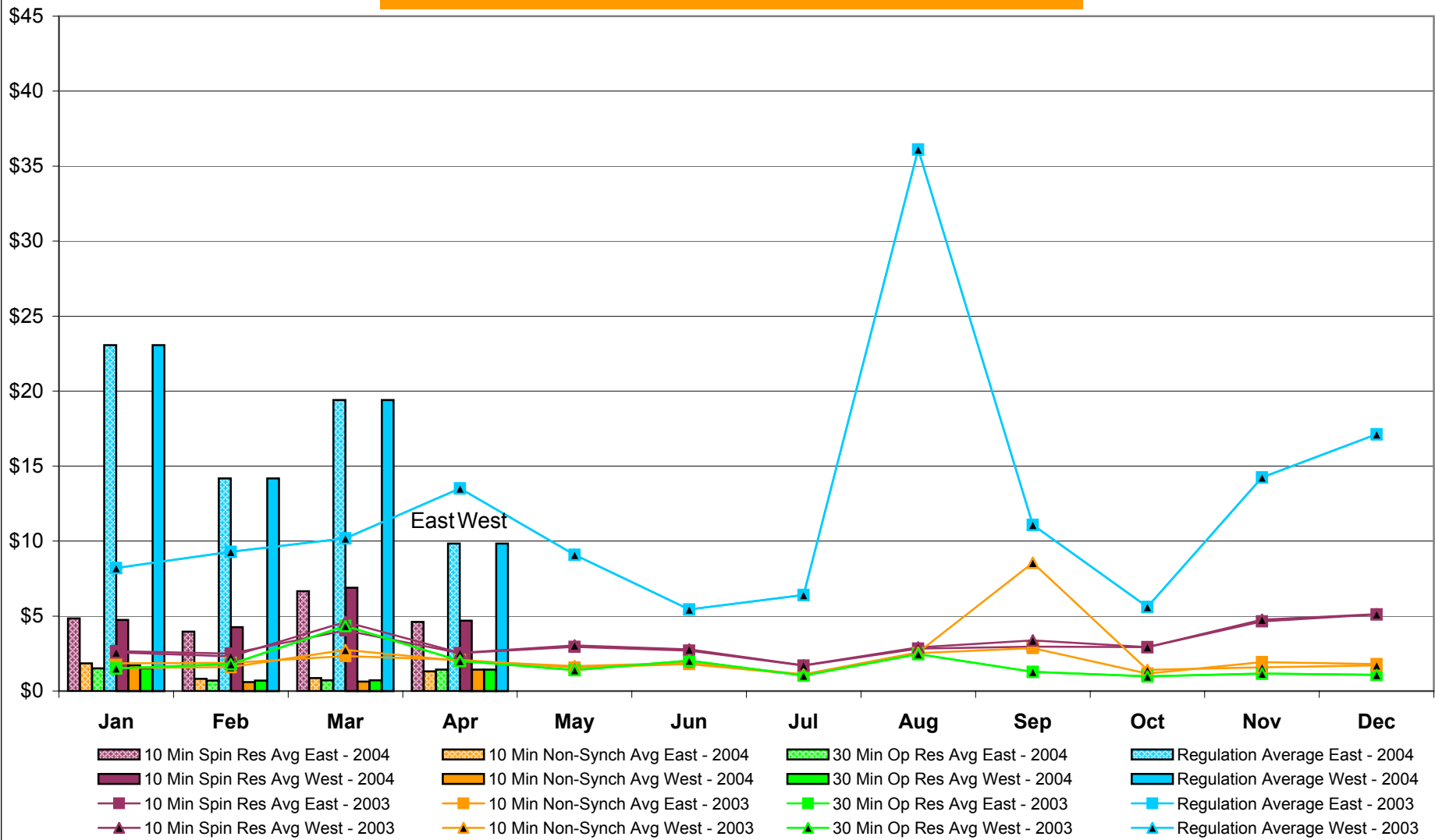
Preliminary thru 4/27/04

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



4-V

NYISO Monthly Average Ancillary Service Prices BME * 2003 - 2004



* Commonly referred to as Hour Ahead Market (HAM)

4-W

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 | 2.97 |
| 10 Min Spin West | 5.29 | 3.20 | 4.05 | 2.97 |
| 10 Min Non Synch East | 0.33 | 0.33 | 0.39 | 0.36 |
| 10 Min Non Synch West | 0.32 | 0.27 | 0.39 | 0.36 |
| 30 Min East | 0.32 | 0.27 | 0.39 | 0.36 |
| 30 Min West | 0.32 | 0.27 | 0.39 | 0.36 |
| Regulation East | 21.54 | 28.69 | 22.23 | 15.44 |
| Regulation West | 21.54 | 28.69 | 22.23 | 15.44 |

BME* Market

| | | | | |
|-----------------------|-------|-------|-------|------|
| 10 Min Spin East | 4.84 | 3.96 | 6.65 | 4.60 |
| 10 Min Spin West | 4.75 | 4.27 | 6.89 | 4.69 |
| 10 Min Non Synch East | 1.85 | 0.81 | 0.87 | 1.31 |
| 10 Min Non Synch West | 1.71 | 0.60 | 0.64 | 1.43 |
| 30 Min East | 1.51 | 0.70 | 0.72 | 1.43 |
| 30 Min West | 1.51 | 0.70 | 0.72 | 1.43 |
| Regulation East | 23.07 | 14.18 | 19.41 | 9.83 |
| Regulation West | 23.07 | 14.18 | 19.41 | 9.83 |

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

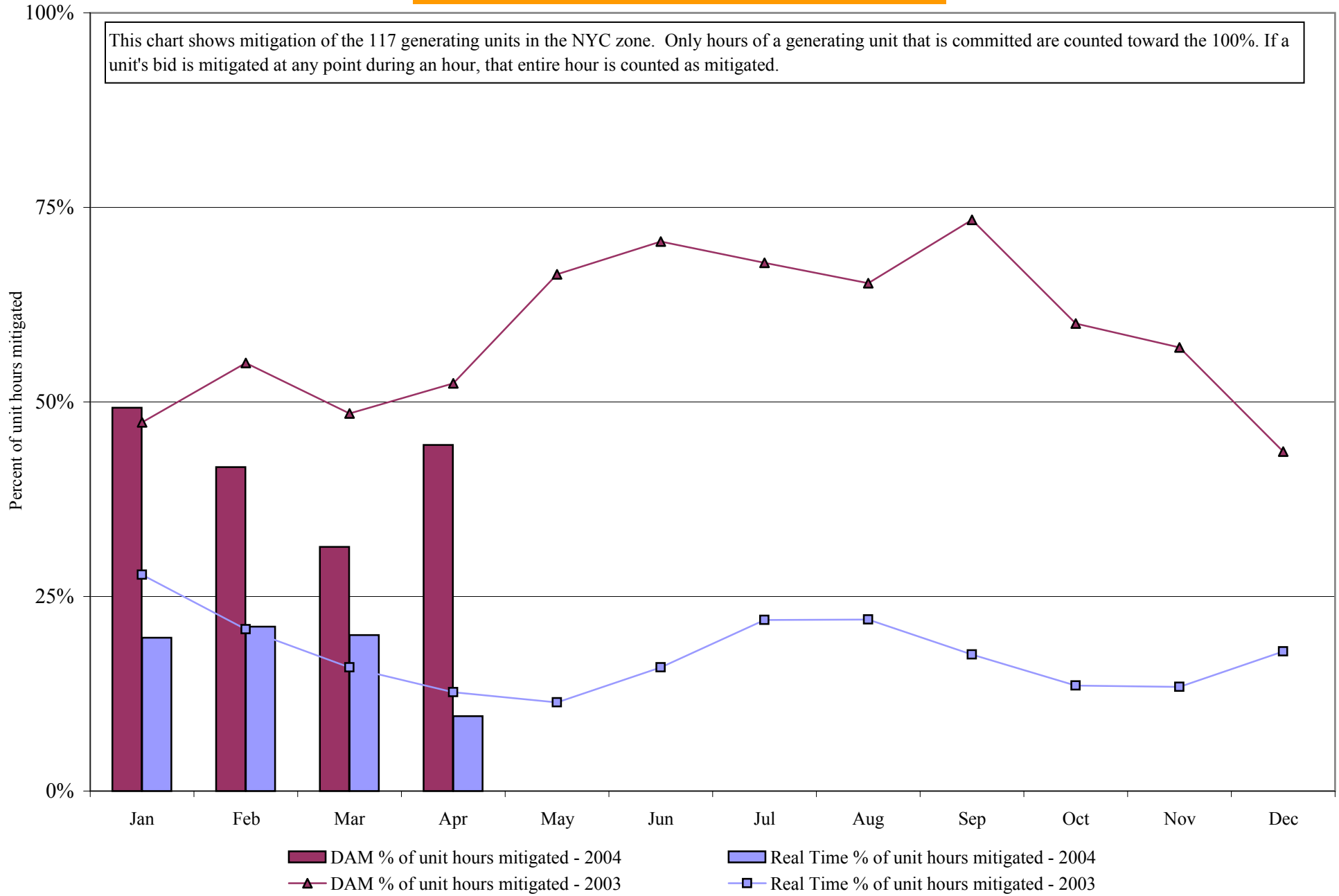
| | | | | | | | | | | | | |
|-----------------------|------|------|-------|-------|------|------|------|-------|-------|------|-------|-------|
| 10 Min Spin East | 2.67 | 2.50 | 4.05 | 2.54 | 2.95 | 2.69 | 1.69 | 2.82 | 2.96 | 2.92 | 4.65 | 5.11 |
| 10 Min Spin West | 2.59 | 2.32 | 4.61 | 2.55 | 3.04 | 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)

4-X

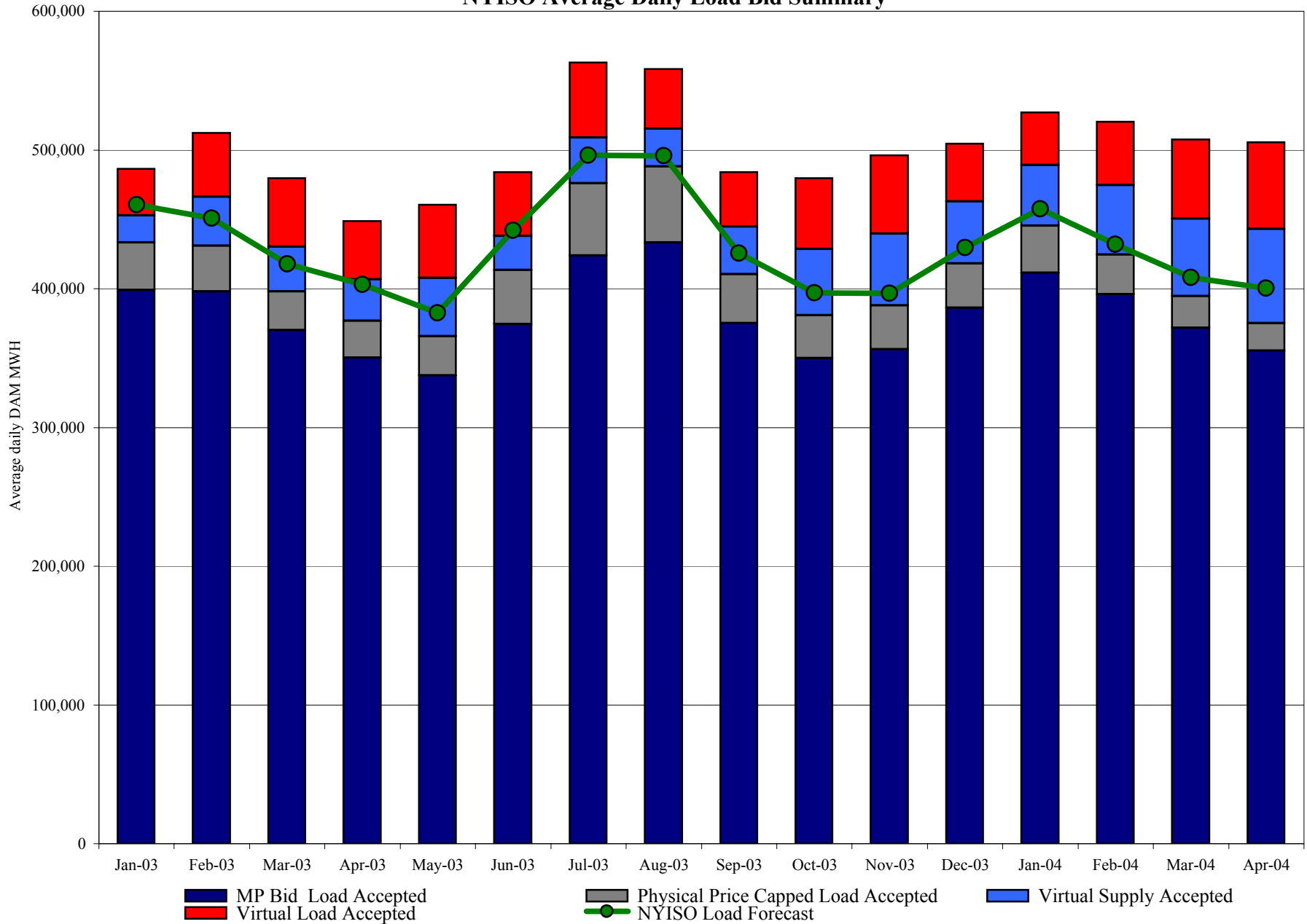
NYISO In City Mitigation (NYC Zone) 2003-2004

Percentage of committed unit-hours mitigated



4-Y

NYISO Average Daily Load Bid Summary



4 - Z

SMD2 Market Trial Update

Sandbox Testing



- Test environment accessible to MPs for testing software compatibility with SMD2
- Upload / Download
 - Manual and automatic bid upload
 - Bid status feedback
 - Bid download capability similar to production
- Web Postings
 - SMD2 web screen formats
 - New OASIS postings and static data presentation

- Sandbox testing for Upload / Download
 - Preliminary testing started with NYPA early April
 - Open sandbox available starting mid-April
 - Activity monitored and tracked
 - Good initial MP participation
 - 10 Organizations, over 10,000 test bids submitted
- Web sandbox testing
 - Available May 3, 2004

Extraordinary Costs

- Total paid in extraordinary costs to date:
 - \$1,207,444.08; included in March 2004 invoice.
 - Total denied to date: \$1,639,349.35.
- Total estimated to be paid in April invoice:
 - \$1.3 M
 - Total estimated additional denials: \$1.7 M
- Total remaining as unadjudicated:
 - @\$1 M