
NYISO President's Report

*Management Committee Meeting
August 30, 2006*

Agenda #3

Report Items

- August 8th Software Deployment
- Operational Events – Week of July 31, 2006
- Update on Price Corrections
- Board Compensation
- Market Performance Highlights – For Information Only

August 8th Software Deployment

- **The August 8th integrated software release implemented important improvements including:**
 - ✓ *Changes to the Billing and Accounting System (BAS) to permit correct application of Real-time Bid Production Cost Guarantee (BPCG) mitigation, as defined in the NYISO Market Mitigation Measures. This change provides the capability to perform real-time guarantee payment impact test and calculation of a mitigated RT-BPCG payment if a generator fails both a conduct threshold and the guarantee payment impact threshold as described in the NYISO's June 29, 2006 presentation to the MSWG.*
 - ✓ *The first release of the Bid Management Project, which implemented an MIS security enhancement. This new system security will be used in conjunction with future Bid Management System Deployments (scheduled for January '07).*
 - ✓ *Several changes to improve the efficiency and performance of internal systems. Overall, there were 157 database objects/procedures and 101 scripts successfully deployed.*

August 8th Software Deployment (cont'd)

- **Careful consideration was given to the necessary service disruption and the impact on reliability, markets/prices, billing, legal, regulatory, compliance, and customer service associated with the August 8th release.**
 - ✓ *The service disruption was scheduled to occur outside normal business hours, starting at 8:40 PM EDT, to minimize impact to market participants while avoiding peak load conditions.*
 - ✓ *A cross-functional team involving Information Technology, Operations, Market Monitoring, Customer Settlements, Legal, Customer Relations, and Product Management all worked together to ensure a successful release.*
 - ✓ *In addition to the quality procedures built into the development process, there were over four weeks of functional and integration testing coupled with a dress rehearsal of the deployment - all dedicated to ensuring the quality of the final release and minimizing Market Impact.*

August 8th Software Deployment (cont'd)

- **The August 8th release was executed without incident and service was restored ahead of schedule.**
 - ✓ *Hour-Ahead and Real-Time markets continued to function without interruption throughout the service disruption to the Market Information System (MIS) and other affected systems.*
 - ✓ *All functional improvements have been successfully verified post-deployment.*
 - ✓ *There were no reliability issues or price corrections related to the release.*
 - ✓ *Service was restored to Market Participants and verified by NYISO staff more than 30 minutes ahead of schedule.*

Operational Events - Week of July 31, 2006

- ✓ M51 345 KV cable out of service for this time frame

- ✓ **August 1:**

- *Record Summer Peak Load: 33,879MW*
- *EDRP and SCR resources were activated in Zones J & K from HB14 to HB19 for Long Island reserves and NYC Local Reliability Rules*
 - ✧ *Estimated 653MW (147MW EDRP, 507MW SCR)*
- *NYISO-PJM TTC reduced from normal 2500MW limit from HB13 to HB22 for Western NY area voltages*
- *Fraser SVC taken out of normal for Oakdale voltage*

- ✓ **August 2:**

- *Record Peak Load: 33,939MW*
- *EDRP and SCR resources were activated in Zones J & K from HB13 to HB19 for Long Island reserves and NYC Local Reliability Rules*
 - ✧ *Estimated 657MW (139MW EDRP, 518MW SCR)*
- *EDRP and SCR resources were activated in Zones A, B, & C from HB14 to HB19 for Western NY area voltages*
 - ✧ *Estimated 482MW (43MW EDRP, 439MW SCR)*
- *Fraser SVC and Leeds SVC taken out of normal for Oakdale and Ramapo voltage*
- *1,300MW of Emergency Energy to ISO-NE in HB13, ISO-NE in 5% voltage reduction*
- *Emergency Transfer Criteria on the 91 & 92 lines (Leeds-Pleasant Valley) to support SENY & PJM Transfers*

- ✓ **August 3:**

- *Peak Load: 32,492MW*
- *EDRP and SCR resources were activated in Zones J & K from HB14 to HB19 for Long Island reserves and NYC Local Reliability Rules*
 - ✧ *Estimated 671MW (145MW EDRP, 526MW SCR)*
- *Fraser SVC and Leeds SVC taken out of normal for Oakdale and Ramapo voltage*
- *Emergency Transfer Criteria on the 91 & 92 lines (Leeds-Pleasant Valley) to support SENY & PJM Transfers*

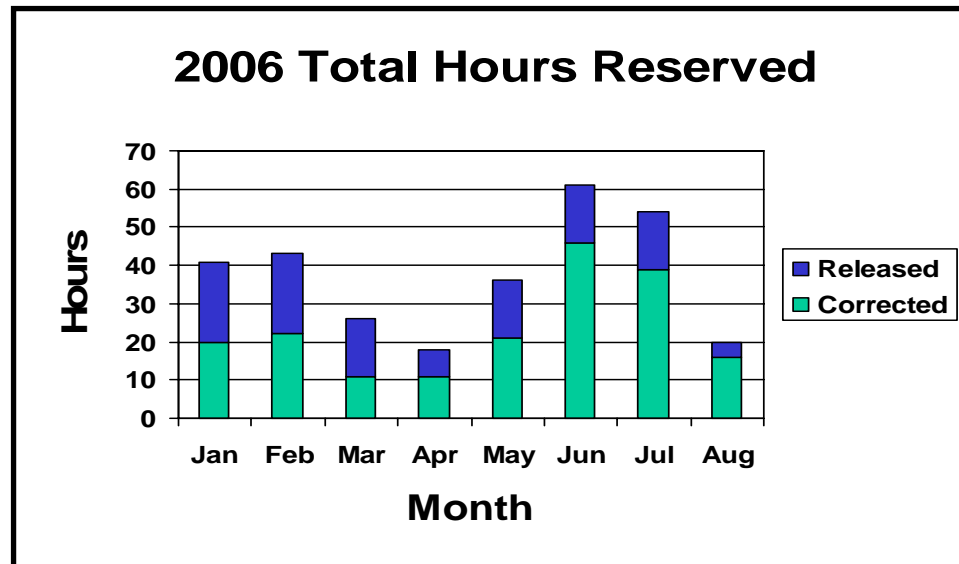
Update on Price Corrections

- ***Reservation and correction rates remain elevated in July and early August***
 - ✓ Transmission line outages, and other peak system conditions, result in operationally ineffective dispatches
- ***Transmission Constraint Pricing proposal under development to address operationally ineffective dispatches***
- ***Majority of price errors during period attributed to this cause; otherwise, rates remain very low***
 - ✓ June – 98.6% * Accurate
 - ✓ July – 98.5% * Accurate

* Not including corrections related to operationally ineffective dispatch

Recent Price Correction Statistics

2006 YTD	Reservations	Corrections	Released	Tot. Hours
April	18	11	7	720
May	36	21	15	744
June	61	46	15	720
July	54	39	15	744
August*	20	16	4	528



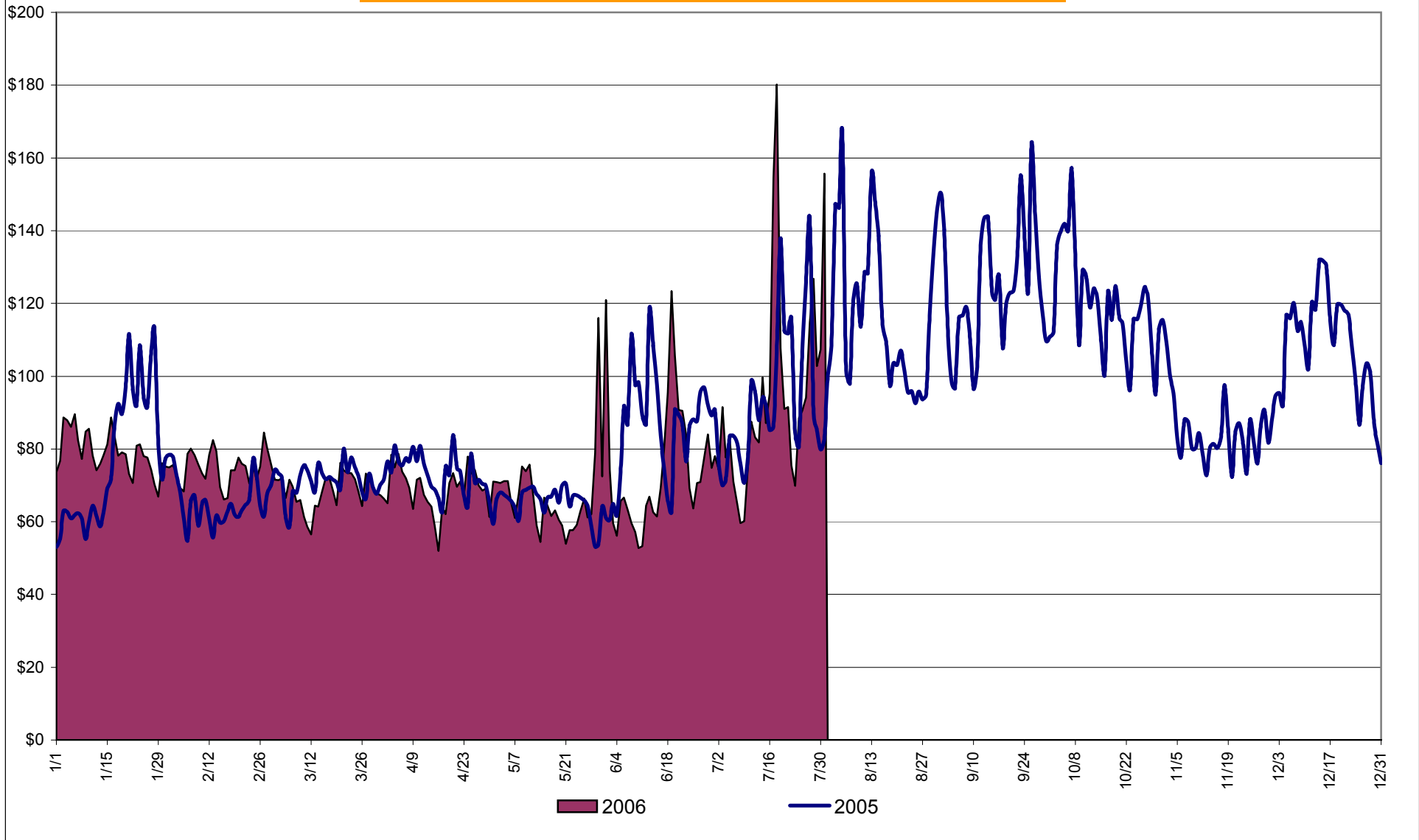
* Data through 22 August 2006

New York Independent System Operator

Market Performance Highlights for July 2006

- **A new NYISO peak load of 32,624 MW was set on 17 July 2006, passing a record of 32,075 MW set on 26 July 2005.**
- **LBMP for July is \$93.41/MWh, up from \$71.93/MWh in June.**
 - ✓ *Average monthly cost is \$97.90/MWh, up from \$76.84/MWh in June.*
 - ✓ *Day Ahead and Real Time LBMPs have increased from June.*
- **Fuel prices are all up this month.**
 - ✓ *Kerosene is \$16.20/mmBTU, up from \$15.46/mmBTU in June*
 - ✓ *No. 2 Fuel Oil is \$13.74/mmBTU, up from \$13.71/mmBTU in June*
 - ✓ *No. 6 Fuel Oil is \$8.73/mmBTU, up from \$8.23/mmBTU in June*
 - ✓ *Natural Gas is \$6.99/mmBTU, up from \$6.79/mmBTU in June*
- **Uplift has slightly decreased this month relative to June 2006.**
 - ✓ *Uplift (not including NYISO cost of operations) is \$2.42/MWh, slightly down from \$2.60/MWh in June.*
 - ✓ *Total uplift (Schedule 1 components including NYISO Cost of Operations) increased from \$46.7 million in June 2006 to \$54.2 million in July 2006. The main increase was due to balancing residuals.*
- **Price corrections have slightly decreased relative to June.**

Daily NYISO Average Cost/MWh (Energy & Ancillary Services)*
 2005 Annual Average \$93.89/MWh
 July 2005 YTD Average \$78.90/MWh
 July 2006 YTD Average \$77.89/MWh



* Excludes ICAP payments.

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

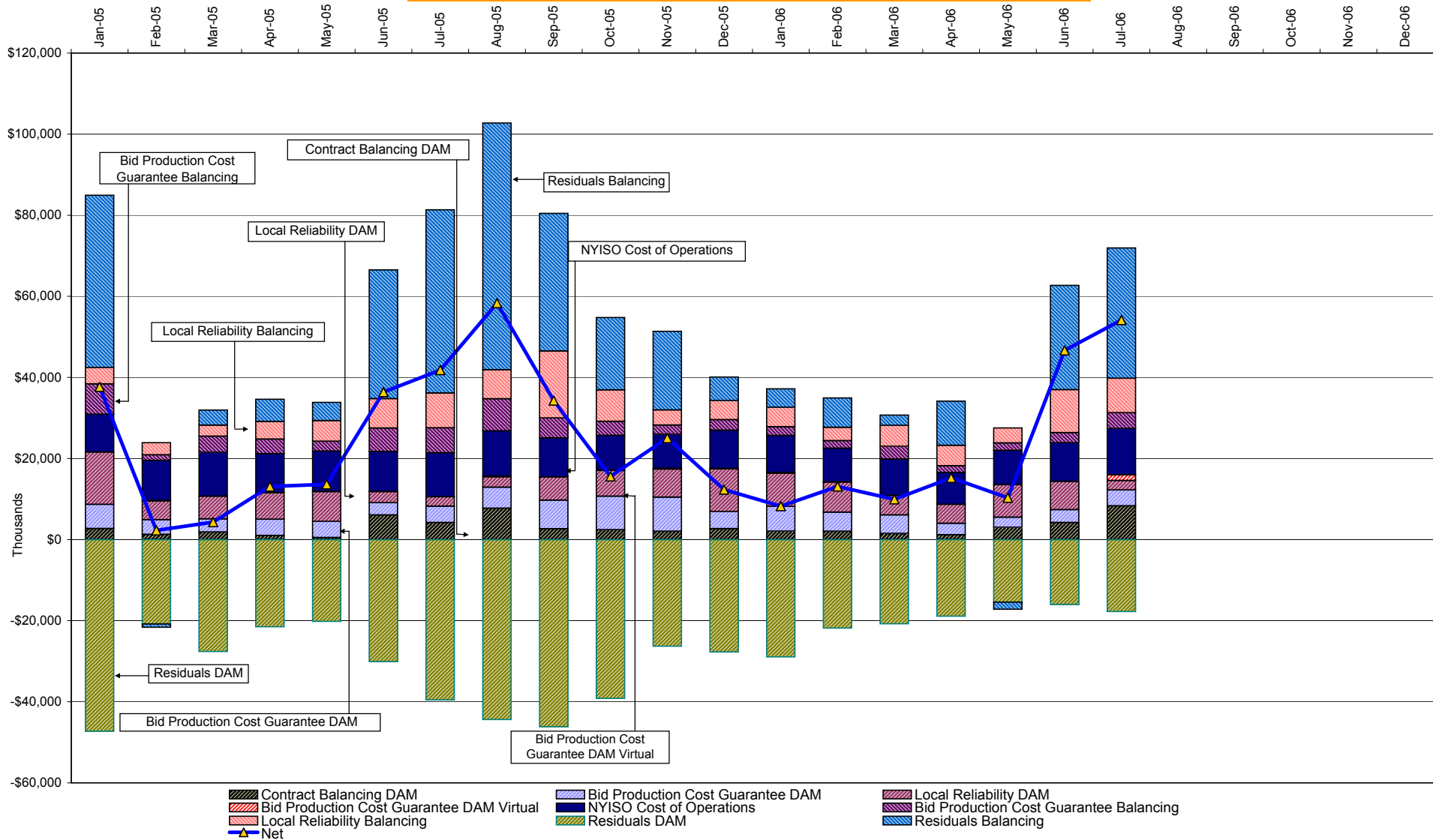
2006	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
LBMP	77.14	71.85	66.52	66.24	65.54	71.93	93.41					
NTAC	0.47	0.90	0.43	0.54	0.64	0.69	0.47					
Reserve	0.35	0.30	0.29	0.35	0.16	0.22	0.30					
Regulation	0.56	0.68	0.69	0.48	0.42	0.39	0.30					
NYISO Cost of Operations	0.64	0.64	0.64	0.64	0.64	0.64	0.64					
Uplift	(0.07)	0.37	0.09	0.63	0.14	2.60	2.42					
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>	<u>0.36</u>	<u>0.36</u>				
Avg Monthly Cost	79.46	75.10	69.02	69.24	67.90	76.84	97.90					
Avg YTD Cost	79.46	77.39	74.49	73.24	72.19	73.06	77.89					

2005	<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	75.70	64.03	69.95	71.28	63.13	84.83	92.42	115.19	122.40	118.56	82.00	106.11
NTAC	0.42	0.36	0.23	0.49	0.40	0.58	0.46	0.25	0.10	0.03	0.39	0.64
Reserve	0.24	0.08	0.17	0.21	0.20	(0.01)	0.11	0.02	0.31	0.54	0.34	0.38
Regulation	0.32	0.40	0.34	0.22	0.25	0.20	0.15	0.06	0.41	0.64	0.70	0.53
NYISO Cost of Operations	0.63	0.79	0.79	0.79	0.79	0.63	0.63	0.63	0.63	0.63	0.63	0.63
Uplift	1.99	(0.59)	(0.47)	0.29	0.30	1.85	1.95	2.76	1.68	0.52	1.26	0.17
Voltage Support and Black Start	<u>0.39</u>	<u>0.39</u>	<u>0.39</u>	<u>0.39</u>	<u>0.39</u>	<u>0.39</u>	<u>0.39</u>	<u>0.39</u>	<u>0.39</u>	<u>0.39</u>	<u>0.39</u>	<u>0.39</u>
Avg Monthly Cost	79.70	65.45	71.38	73.67	65.46	88.48	96.09	119.29	125.93	121.32	85.72	108.85
Avg YTD Cost	79.70	73.25	72.61	72.86	71.56	74.91	78.90	85.52	90.31	93.10	92.53	93.89

* 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 are revenue charged or returned to customers due to the under or over collection of funds.

NYISO Markets Transactions

<u>2006</u>	<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 MWh</u>	13,877,416	12,532,754	13,392,627	11,860,369	12,637,299	14,251,897	17,302,066					
DAM LSE Internal LBMP Energy Sales	46%	47%	48%	50%	46%	48%	51%					
DAM External TC LBMP Energy Sales	4%	3%	2%	2%	3%	3%	5%					
DAM Bilateral - Internal Bilaterals	47%	47%	45%	45%	47%	45%	41%					
DAM Bilateral - Import/Non-LBMP Market Bilaterals	2%	2%	2%	2%	2%	2%	1%					
DAM Bilateral - Export/Non-LBMP Market Bilaterals	1%	1%	2%	1%	1%	1%	2%					
DAM Bilateral - Wheel Through Bilaterals	0%	0%	0%	0%	0%	0%	0%					
<u>Balancing Energy Market MWh</u>	300,904	322,333	558,199	396,791	486,316	575,072	471,866					
Balancing Energy LSE Internal LBMP Energy Sales	3%	22%	31%	26%	45%	34%	49%					
Balancing Energy External TC LBMP Energy Sales	86%	74%	66%	68%	48%	58%	62%					
Balancing Energy Bilateral - Internal Bilaterals	5%	2%	2%	2%	2%	5%	1%					
Balancing Energy Bilateral - Import/Non-LBMP Market Bilaterals	2%	1%	0%	0%	3%	0%	0%					
Balancing Energy Bilateral - Export/Non-LBMP Market Bilaterals	1%	1%	1%	1%	0%	0%	-12%					
Balancing Energy Bilateral - Wheel Through Bilaterals	4%	1%	0%	3%	2%	3%	0%					
<u>Transactions Summary</u>												
LBMP	51%	50%	52%	53%	51%	53%	57%					
Internal Bilaterals	46%	46%	43%	43%	45%	44%	40%					
Import Bilaterals	2%	2%	2%	2%	2%	2%	1%					
Export Bilaterals	1%	1%	2%	1%	1%	1%	1%					
Wheels Through	0%	0%	0%	0%	0%	0%	0%					
<u>Market Share of Total Load</u>												
Day Ahead Market	97.9%	97.5%	96.0%	96.8%	96.3%	96.1%	97.3%					
Balancing Energy †	2.1%	2.5%	4.0%	3.2%	3.7%	3.9%	2.7%					
Total MWh	14,178,320	12,855,086	13,950,825	12,257,160	13,123,615	14,826,969	17,773,932					
Average Daily Energy Sendout/Month GWh	439	444	428	395	407	471	528					
<u>2005</u>	<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 MWh</u>	14,281,481	12,510,148	13,410,579	12,215,628	12,773,478	14,981,363	16,344,465	16,587,663	14,706,243	13,309,658	12,893,992	14,418,648
DAM LSE Internal LBMP Energy Sales	48%	49%	52%	52%	45%	50%	53%	52%	49%	46%	45%	46%
DAM External TC LBMP Energy Sales	3%	1%	1%	1%	3%	3%	3%	4%	6%	4%	4%	5%
DAM Bilateral - Internal Bilaterals	47%	48%	45%	44%	50%	44%	42%	42%	43%	47%	48%	46%
DAM Bilateral - Import/Non-LBMP Market Bilaterals	1%	1%	1%	0%	0%	1%	1%	1%	2%	2%	2%	2%
DAM Bilateral - Export/Non-LBMP Market Bilaterals	1%	1%	1%	1%	2%	1%	1%	1%	1%	1%	1%	1%
DAM Bilateral - Wheel Through Bilaterals	1%	0%	1%	0%	0%	1%	0%	0%	0%	0%	0%	0%
<u>Balancing Energy Market MWh</u>	414,096	123,162	329,431	58,175	-101,200	582,604	796,586	1,107,346	544,610	384,383	365,677	515,733
Balancing Energy LSE Internal LBMP Energy Sales	77%	-39%	22%	-336%	-307%	46%	73%	73%	33%	4%	-15%	41%
Balancing Energy External TC LBMP Energy Sales	43%	161%	77%	463%	208%	45%	23%	21%	51%	93%	100%	49%
Balancing Energy Bilateral - Internal Bilaterals	-13%	-9%	7%	-27%	5%	5%	6%	6%	13%	4%	13%	11%
Balancing Energy Bilateral - Import/Non-LBMP Market Bilaterals	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Balancing Energy Bilateral - Export/Non-LBMP Market Bilaterals	1%	0%	0%	2%	2%	1%	1%	0%	0%	1%	1%	1%
Balancing Energy Bilateral - Wheel Through Bilaterals	-8%	-13%	-5%	-2%	-8%	3%	-2%	1%	3%	-1%	2%	-1%
<u>Transactions Summary</u>												
LBMP	53%	51%	54%	54%	47%	54%	58%	58%	56%	52%	50%	52%
Internal Bilaterals	45%	47%	44%	44%	50%	43%	40%	39%	42%	45%	47%	45%
Import Bilaterals	1%	1%	1%	0%	0%	1%	1%	1%	1%	2%	2%	2%
Export Bilaterals	1%	1%	1%	1%	2%	1%	1%	1%	1%	1%	1%	1%
Wheels Through	0%	0%	0%	0%	0%	1%	0%	0%	0%	0%	0%	0%
<u>Market Share of Total Load</u>												
Day Ahead Market	97.2%	99.0%	97.6%	99.5%	100.8%	96.3%	95.4%	93.7%	96.4%	97.2%	97.2%	96.5%
Balancing Energy †	2.8%	1.0%	2.4%	0.5%	-0.8% *	3.7%	4.6%	6.3%	3.6%	2.8%	2.8%	3.5%
Total MWh	14,695,577	12,633,310	13,740,011	12,273,803	12,672,278	15,563,968	17,141,051	17,695,009	15,250,854	13,694,041	13,259,669	14,934,381
Average Daily Energy Sendout/Month GWh	462	447	433	399	395	501	536	549	478	418	419	454

† 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 2006 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 *	\$73.28	\$68.90	\$64.31	\$63.21	\$59.31	\$64.40	\$83.27					
Standard Deviation	\$15.03	\$12.95	\$11.95	\$13.28	\$13.70	\$22.66	\$40.24					
Load Weighted Price **	\$75.09	\$70.34	\$65.74	\$64.93	\$61.29	\$68.02	\$89.27					
<u>RTC *** LBMP</u>												
Price *	\$70.25	\$63.41	\$63.04	\$62.39	\$60.81	\$61.60	\$77.27					
Standard Deviation	\$26.63	\$15.86	\$20.50	\$18.82	\$37.26	\$39.82	\$56.30					
Load Weighted Price **	\$71.94	\$64.44	\$64.43	\$63.93	\$63.75	\$65.15	\$83.30					
<u>REAL TIME LBMP</u>												
Price *	\$70.91	\$63.96	\$63.66	\$62.35	\$63.29	\$61.23	\$78.58					
Standard Deviation	\$31.34	\$20.06	\$23.01	\$20.98	\$62.40	\$52.63	\$66.83					
Load Weighted Price **	\$73.18	\$65.38	\$65.38	\$64.13	\$68.66	\$66.47	\$86.37					
Average Daily Energy Sendout/Month GWh	439	444	428	395	407	471	528					

NYISO Markets 2005 Energy Statistics

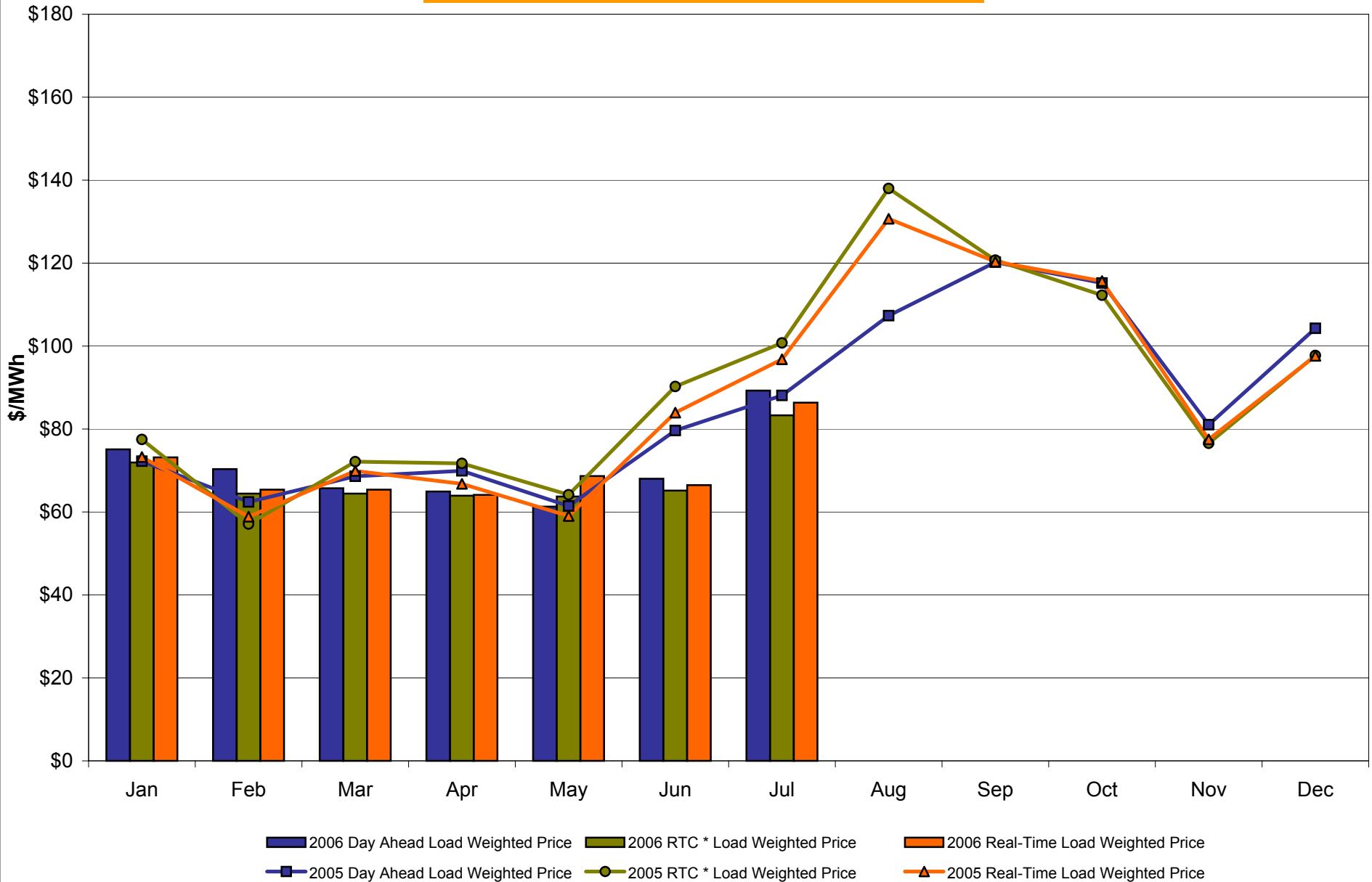
	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
<u>DAY AHEAD LBMP</u>												
Price *	\$69.55	\$61.04	\$67.17	\$68.14	\$59.59	\$75.49	\$83.75	\$102.33	\$115.47	\$110.99	\$78.56	\$101.24
Standard Deviation	\$23.42	\$12.00	\$12.49	\$14.20	\$13.39	\$22.85	\$24.32	\$31.65	\$32.31	\$28.39	\$21.07	\$26.32
Load Weighted Price **	\$72.26	\$62.42	\$68.61	\$69.92	\$61.44	\$79.64	\$88.09	\$107.34	\$120.22	\$115.20	\$81.05	\$104.27
<u>RTC *** LBMP</u>												
Price *	\$74.47	\$55.93	\$70.40	\$69.92	\$61.59	\$85.42	\$94.96	\$129.60	\$116.00	\$108.53	\$74.02	\$94.86
Standard Deviation	\$44.64	\$16.80	\$26.13	\$23.51	\$59.20	\$62.91	\$68.35	\$116.09	\$44.35	\$42.95	\$33.43	\$40.18
Load Weighted Price **	\$77.48	\$57.10	\$72.12	\$71.72	\$64.16	\$90.25	\$100.76	\$138.00	\$120.72	\$112.25	\$76.57	\$97.73
<u>REAL TIME LBMP</u>												
Price *	\$70.25	\$57.57	\$68.04	\$64.95	\$57.20	\$77.75	\$90.48	\$122.21	\$114.94	\$110.90	\$74.62	\$94.16
Standard Deviation	\$31.79	\$20.48	\$32.50	\$26.06	\$42.34	\$55.70	\$72.95	\$103.00	\$42.92	\$55.35	\$36.61	\$40.67
Load Weighted Price **	\$73.26	\$58.86	\$69.88	\$66.77	\$59.04	\$83.96	\$96.82	\$130.69	\$120.36	\$115.69	\$77.51	\$97.64
Average Daily Energy Sendout/Month GWh	462	447	433	399	395	501	536	549	478	418	419	454

* Average zonal load weighted prices.

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

*** Referred to as RTC beginning February 2005. Prior to February 2005 known as BME or Hour Ahead Market (HAM).

NYISO Monthly Average Internal LBMPs 2005 - 2006



* Referred to as RTC beginning February 2005.
Prior to February 2005 known as BME or Hour Ahead Market (HAM).

July 2006 Zonal LBMP Statistics for NYISO (\$/MWh)

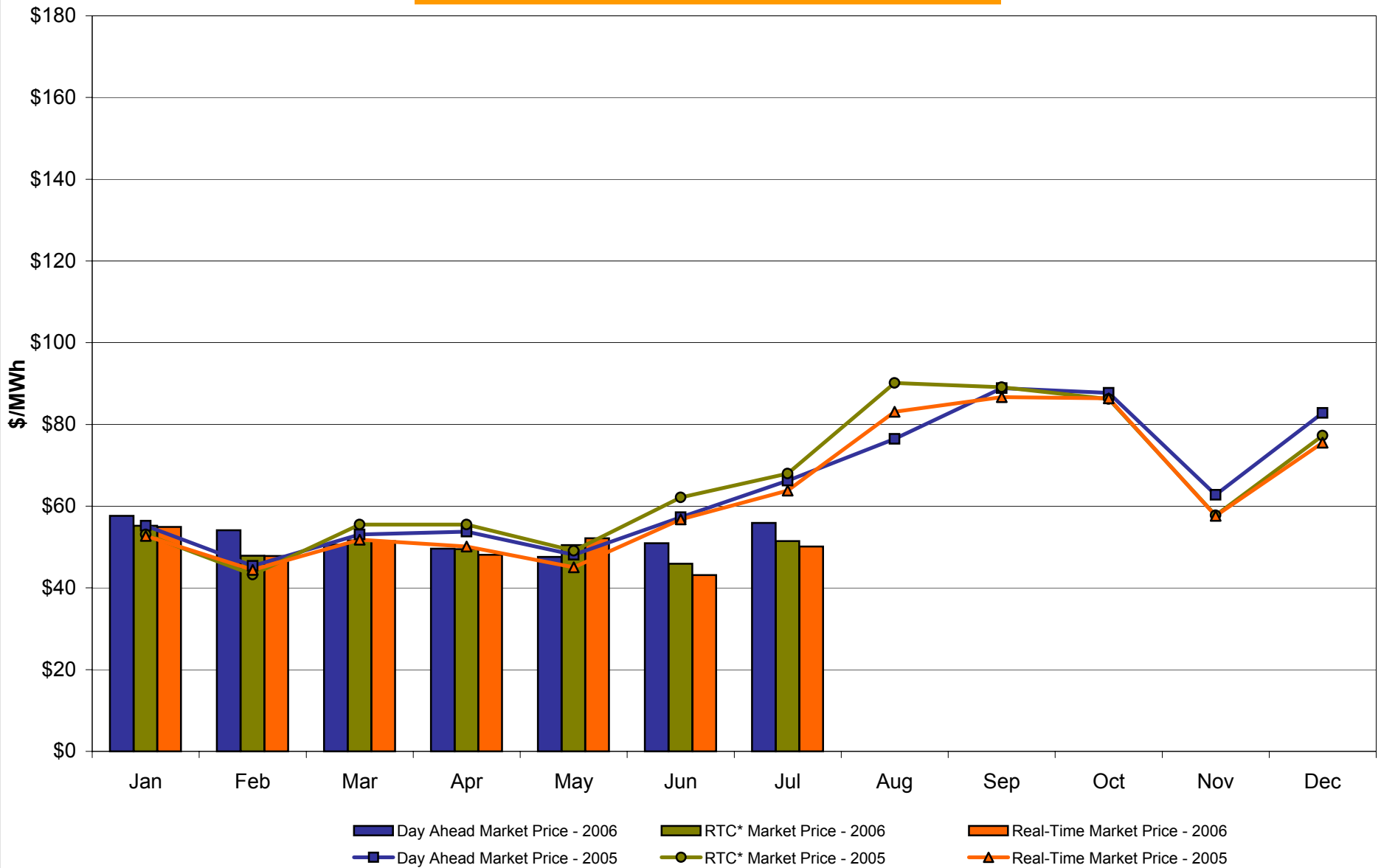
	<u>WEST Zone A</u>	<u>GENESEE Zone B</u>	<u>NORTH Zone D</u>	<u>CENTRAL Zone C</u>	<u>MOHAWK VALLEY Zone E</u>	<u>CAPITAL Zone F</u>	<u>HUDSON VALLEY Zone G</u>	<u>MILLWOOD Zone H</u>	<u>DUNWOODIE Zone I</u>	<u>NEW YORK CITY Zone J</u>	<u>LONG ISLAND Zone K</u>
<u>DAY AHEAD LBMP</u>											
Unweighted Price *	55.88	58.03	57.98	59.24	61.86	63.79	76.36	79.84	80.04	93.60	118.97
Standard Deviation	19.78	19.68	17.85	19.83	20.81	21.09	39.70	46.30	46.74	43.25	83.18
<u>RTC** LBMP</u>											
Unweighted Price *	51.43	53.43	53.08	53.96	56.20	57.10	68.63	73.57	73.84	86.54	114.13
Standard Deviation	28.26	28.99	27.23	28.89	29.29	29.49	55.44	73.96	74.63	72.26	113.14
<u>REAL TIME LBMP</u>											
Unweighted Price *	50.11	52.03	51.59	52.59	54.85	56.08	69.99	75.69	76.01	89.60	118.64
Standard Deviation	30.35	31.10	29.79	31.12	31.70	32.82	73.29	93.38	94.36	92.11	131.50
	<u>ONTARIO IESO Zone O</u>	<u>HYDRO QUEBEC Zone M</u>	<u>PJM Zone P</u>	<u>NEW ENGLAND Zone N</u>	<u>CROSS SOUND CABLE Controllable Line</u>						
<u>DAY AHEAD LBMP</u>											
Unweighted Price *	54.69	58.02	58.13	68.91	118.43						
Standard Deviation	19.38	17.11	23.10	28.74	82.86						
<u>RTC** LBMP</u>											
Unweighted Price *	49.90	53.02	61.70	60.26	108.56						
Standard Deviation	43.55	18.30	42.44	20.47	95.98						
<u>REAL TIME LBMP</u>											
Unweighted Price *	48.11	50.70	60.00	59.96	115.30						
Standard Deviation	47.33	21.72	46.59	34.86	124.57						

* Straight zonal LBMP averages

** Referred to as RTC beginning February 2005

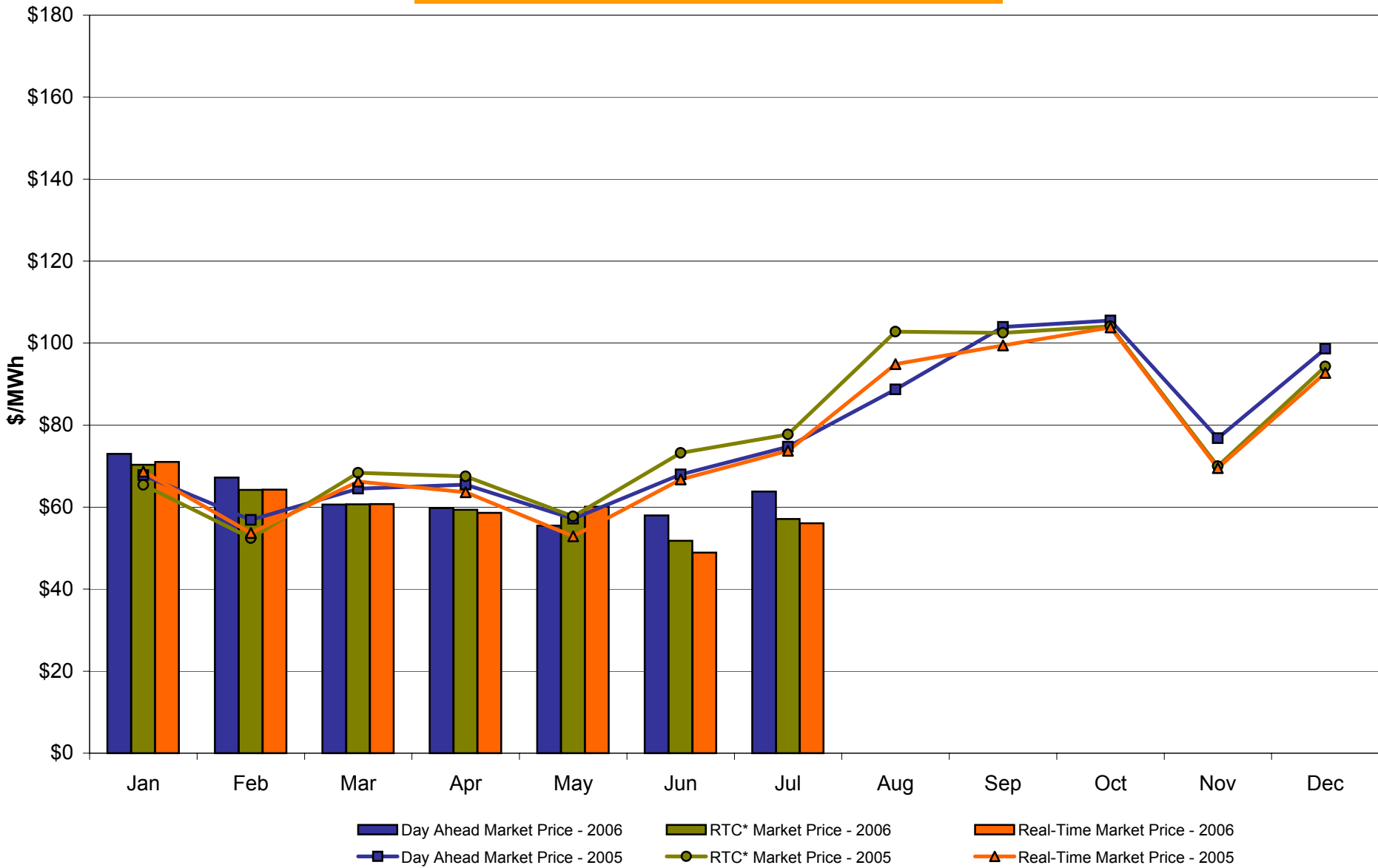
Prior to February 2005 known as BME or Hour Ahead Market (HAM)

West Zone A Monthly Average LBMP Prices 2005 - 2006



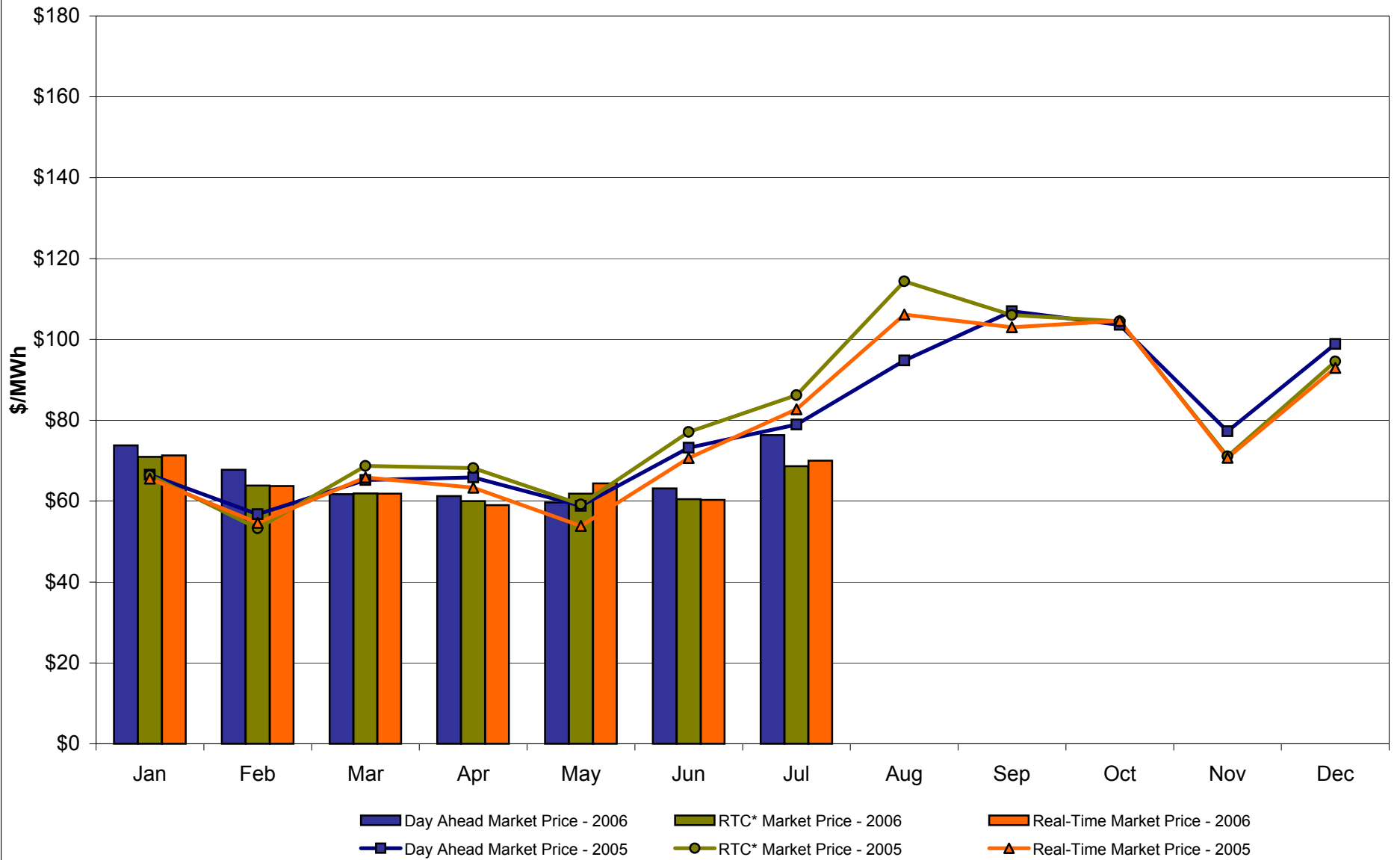
* Referred to as RTC beginning February 2005.
Prior to February 2005 known as BME or Hour Ahead Market (HAM).

Capital Zone F Monthly Average LBMP Prices 2005 - 2006



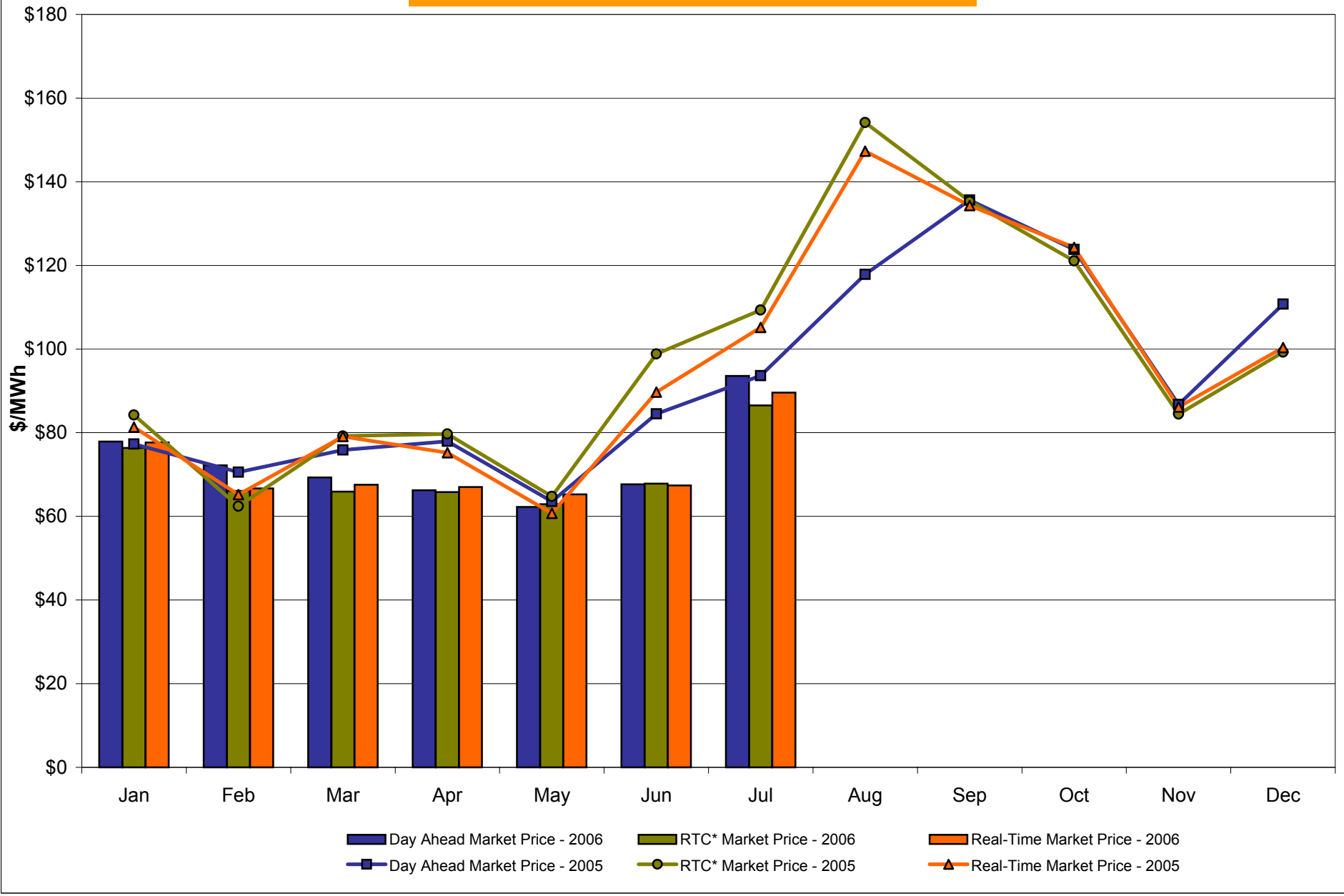
* Referred to as RTC beginning February 2005.
Prior to February 2005 known as BME or Hour Ahead Market (HAM).

Hudson Valley Zone G Monthly Average LBMP Prices 2005 - 2006



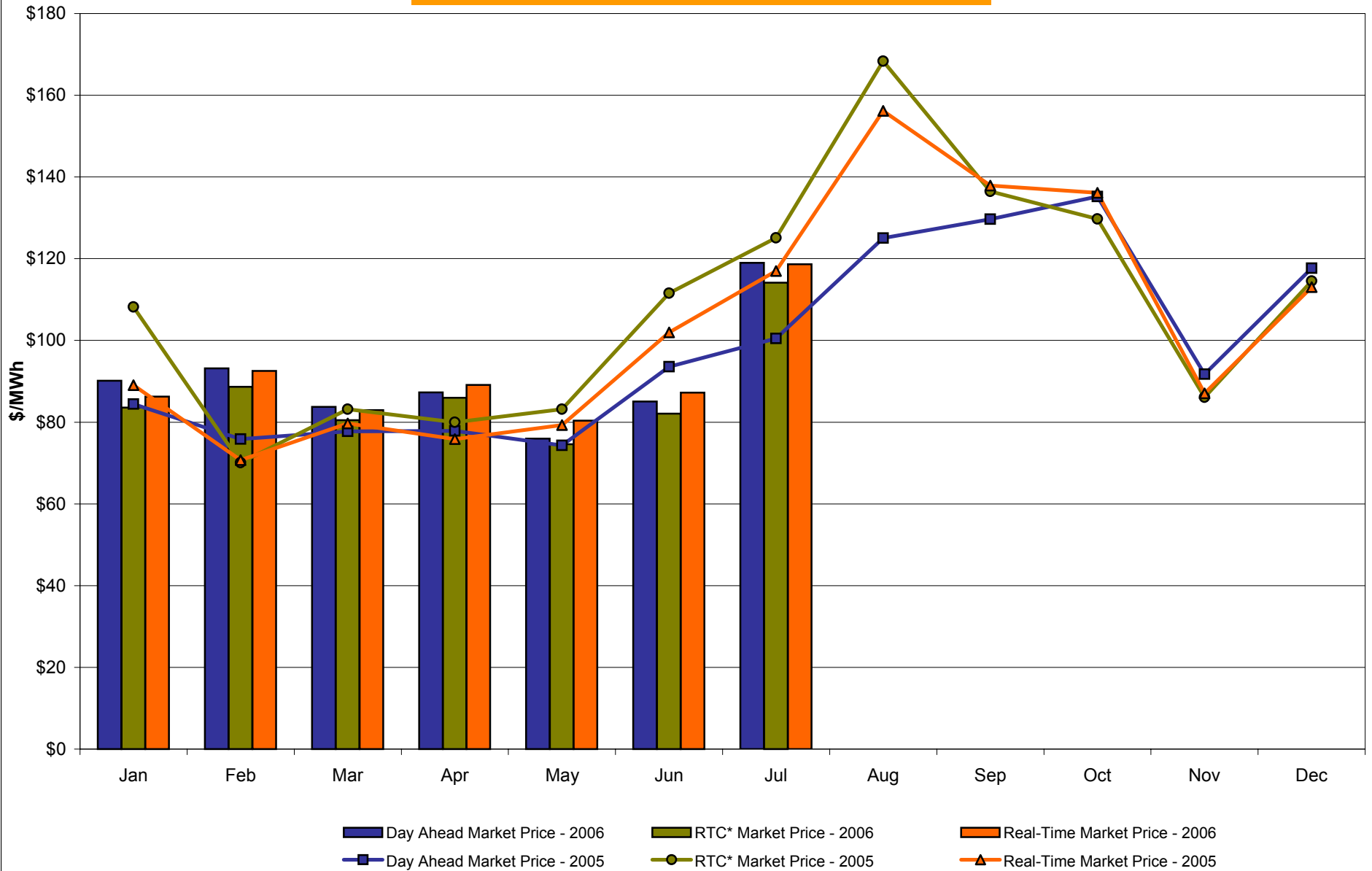
* Referred to as RTC beginning February 2005.
Prior to February 2005 known as BME or Hour Ahead Market (HAM).

NYC Zone J Monthly Average LBMP Prices 2005 - 2006



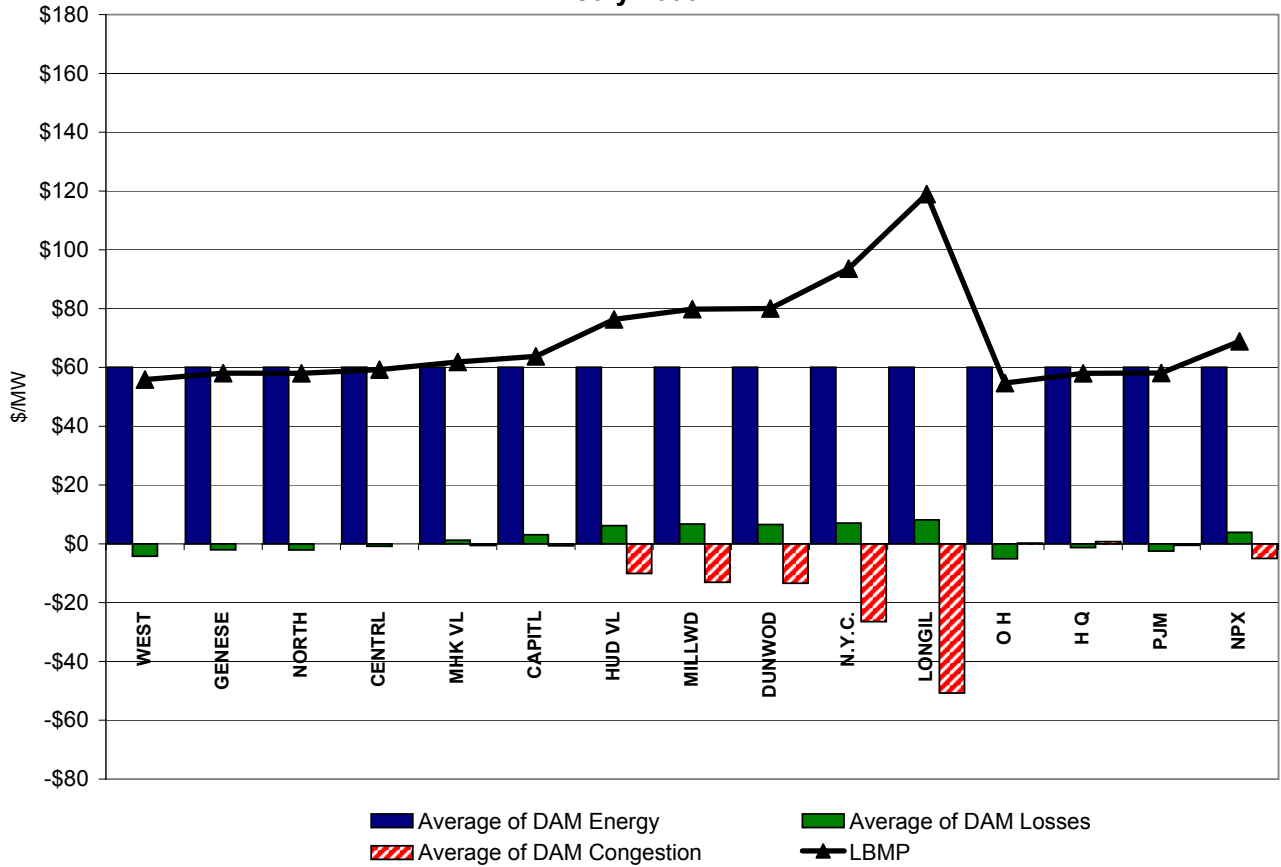
* Referred to as RTC beginning February 2005.
 Prior to February 2005 known as BME or Hour Ahead Market (HAM).

Long Island Zone K Monthly Average LBMP Prices 2005 - 2006

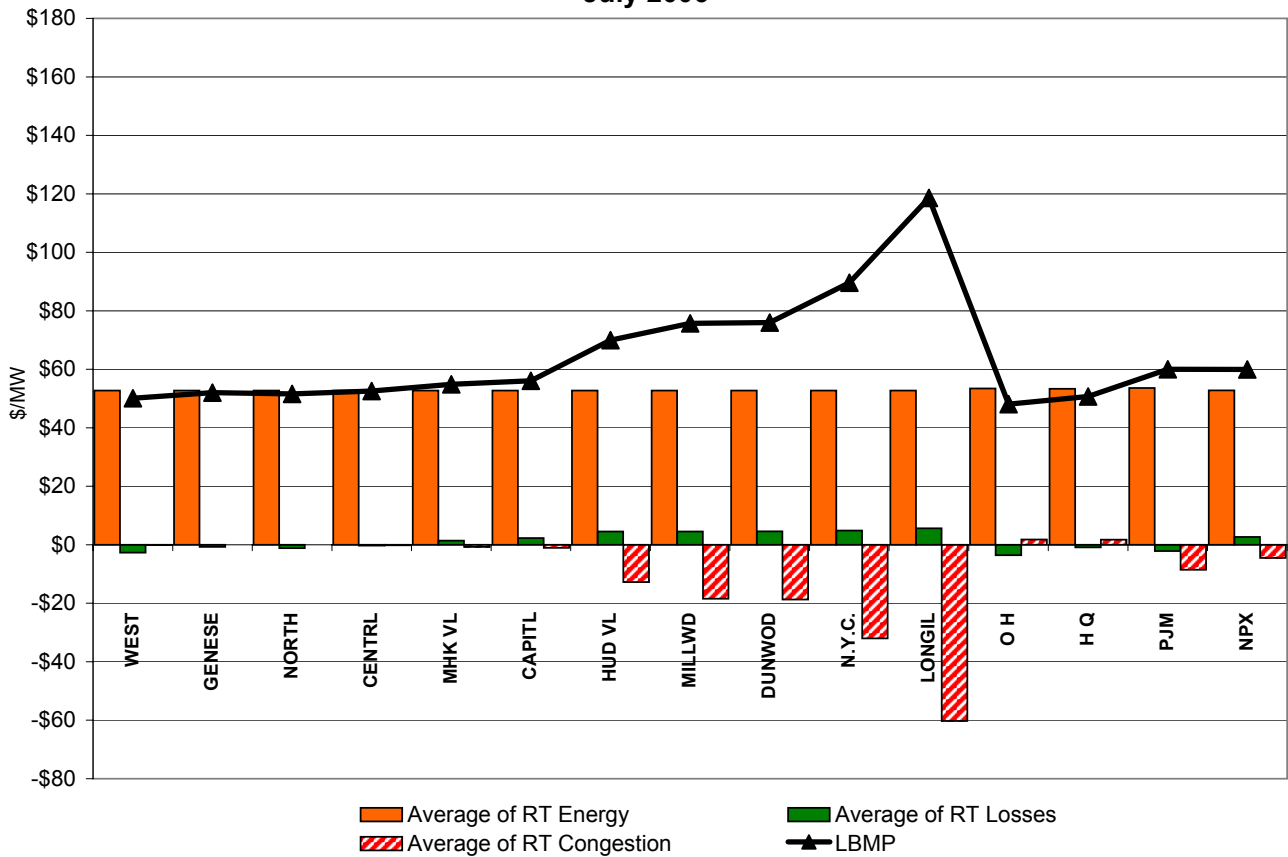


* Referred to as RTC beginning February 2005.
Prior to February 2005 known as BME or Hour Ahead Market (HAM).

**DAM Zonal Unweighted Monthly Average LBMP Components
July 2006**

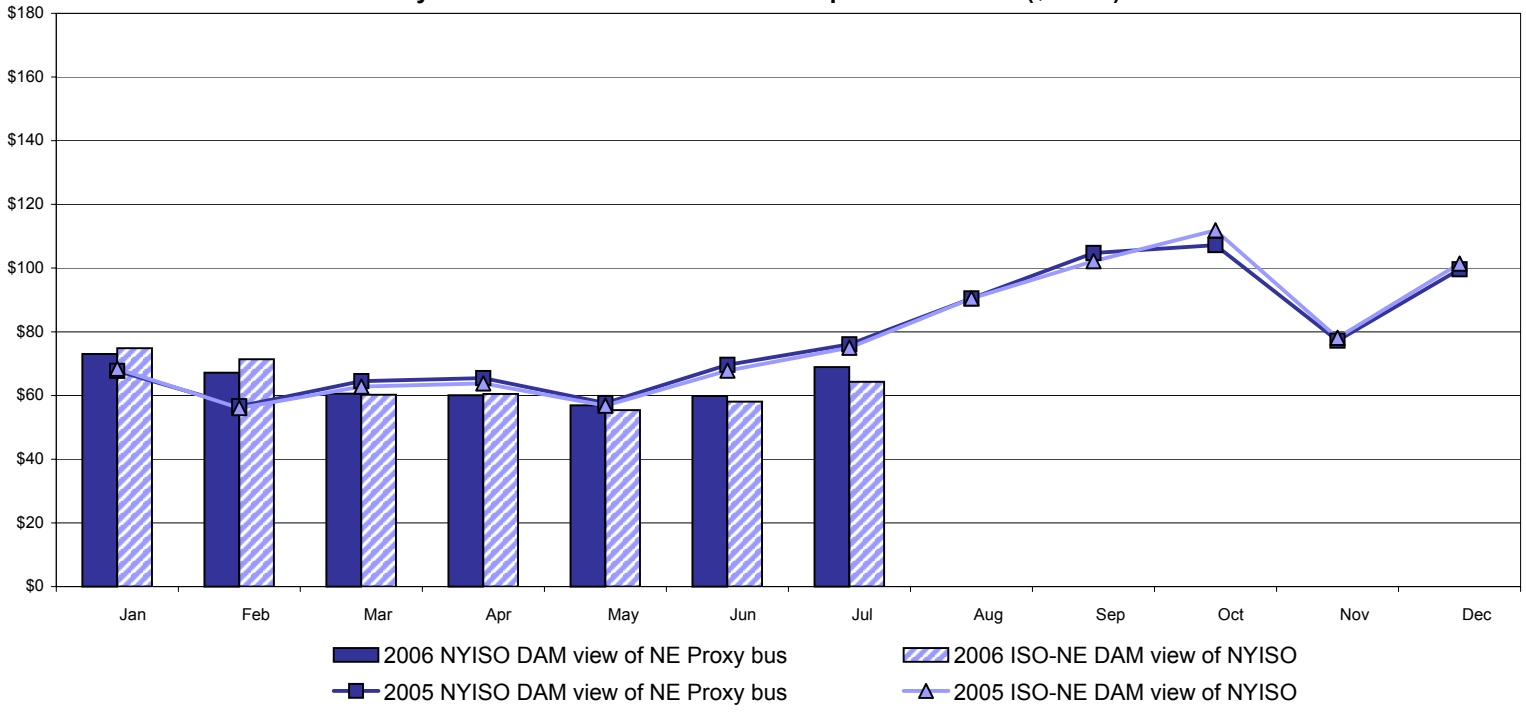


**RT Zonal Unweighted Monthly Average LBMP Components
July 2006**

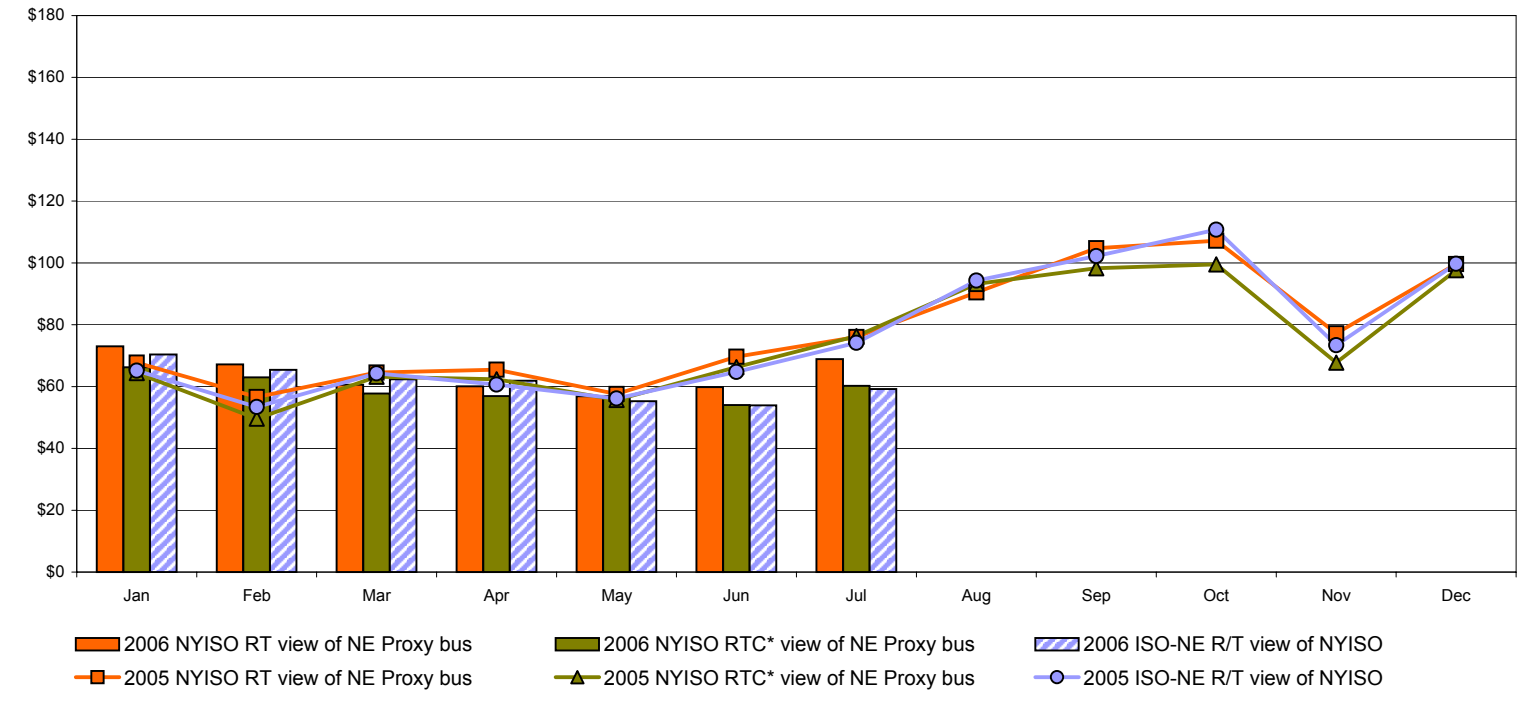


External Comparison ISO-New England

Day Ahead Market External Zone Comparison: ISO-NE (\$/MWh)



Real Time Market External Zone Comparison: ISO-NE (\$/MWh)



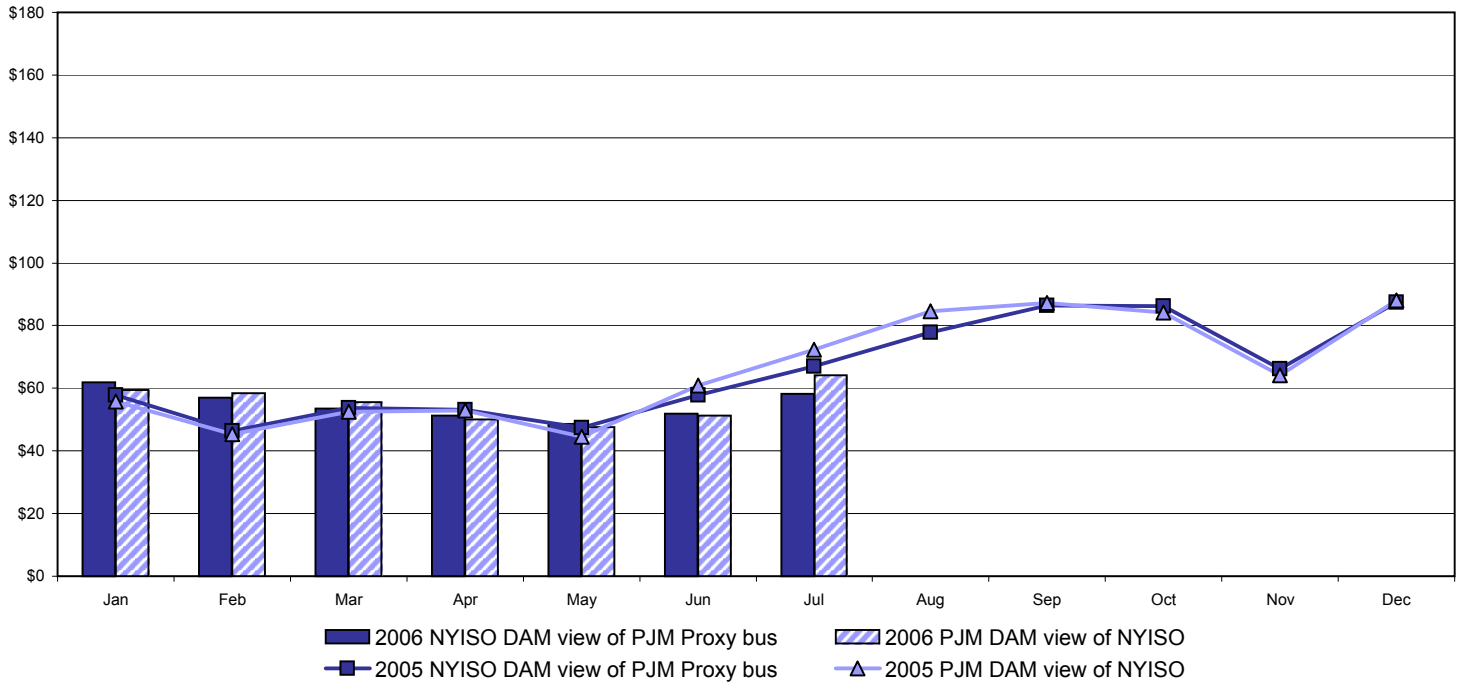
Note:

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.

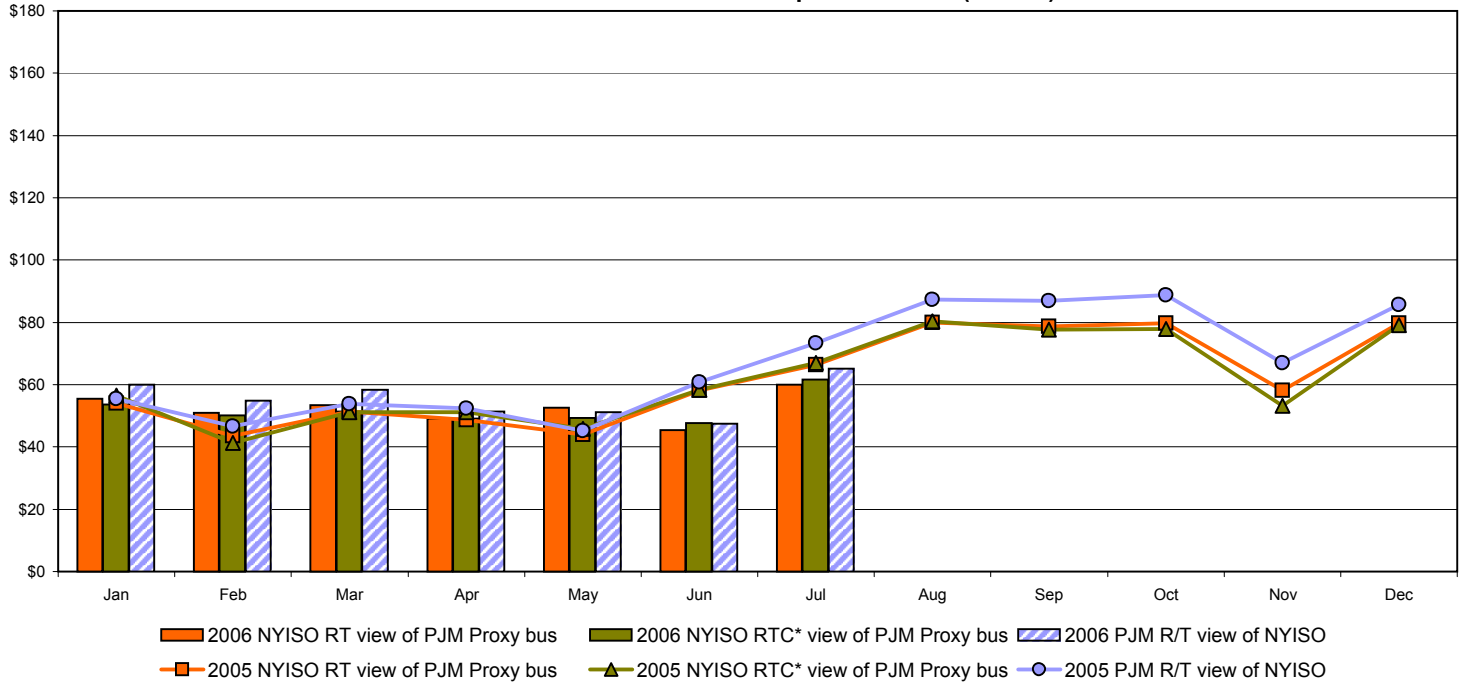
* Referred to as RTC beginning February 2005.
 Prior to February 2005 known as BME or Hour Ahead Market (HAM).

External Comparison PJM

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

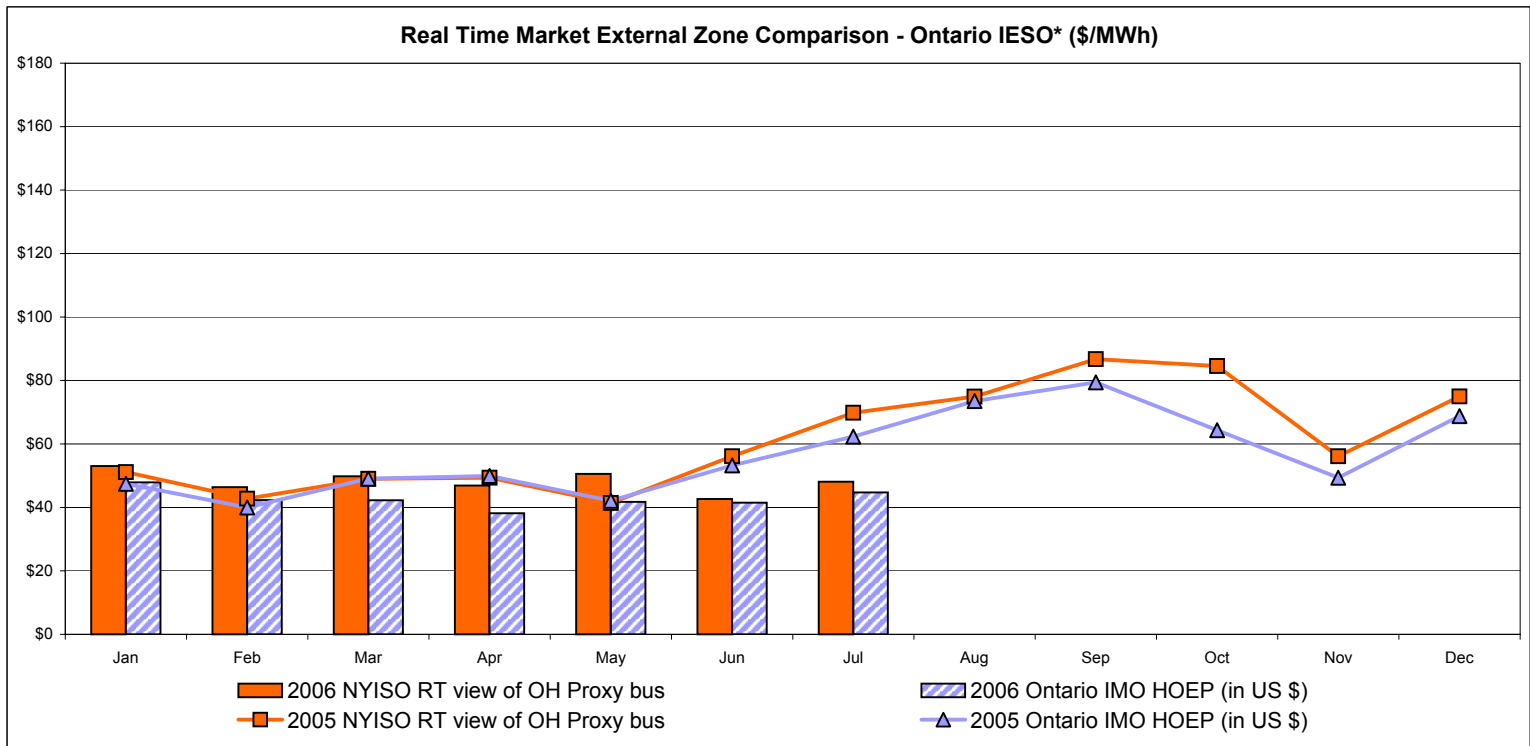
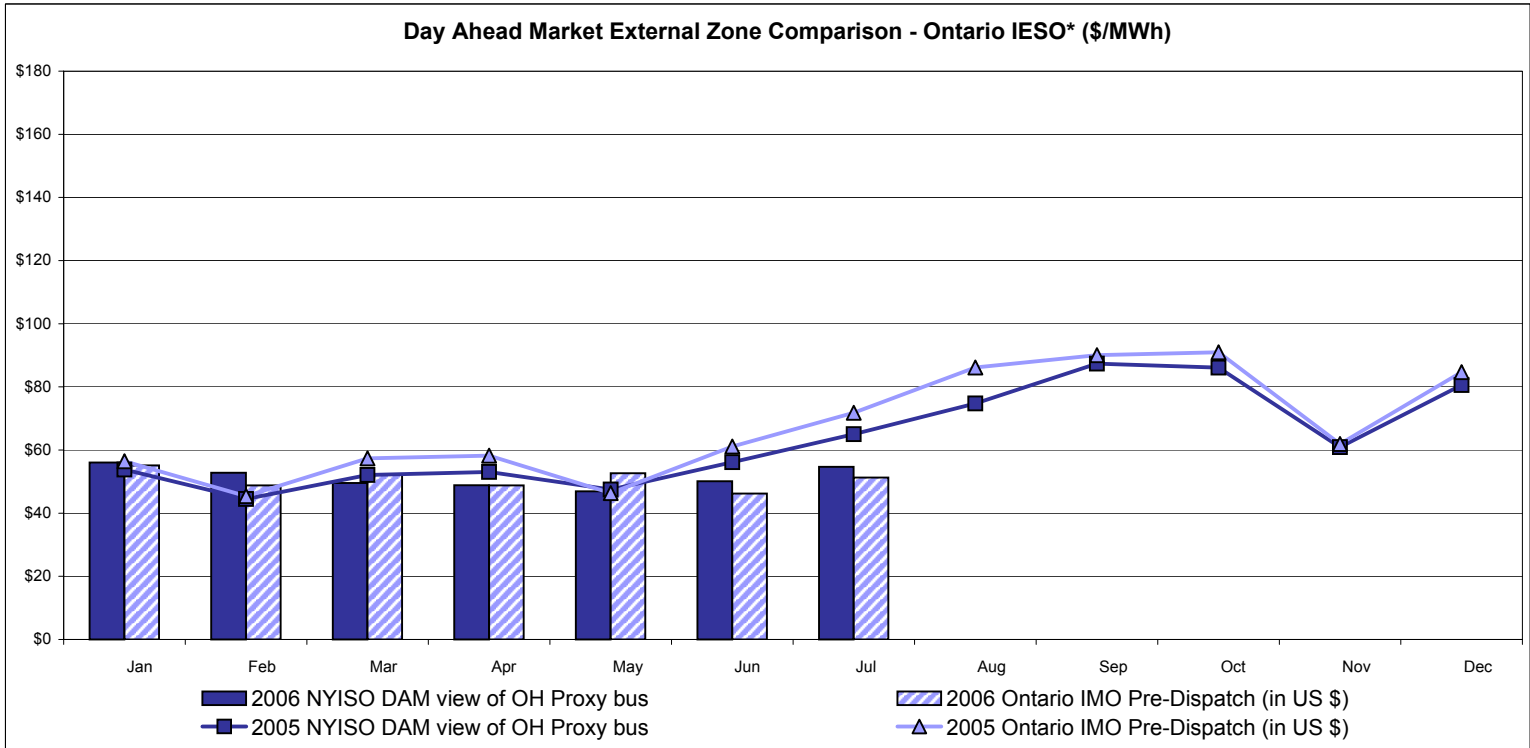


Real Time Market External Zone Comparison - PJM (\$/MWh)



* Referred to as RTC beginning February 2005.
 Prior to February 2005 known as BME or Hour Ahead Market (HAM).

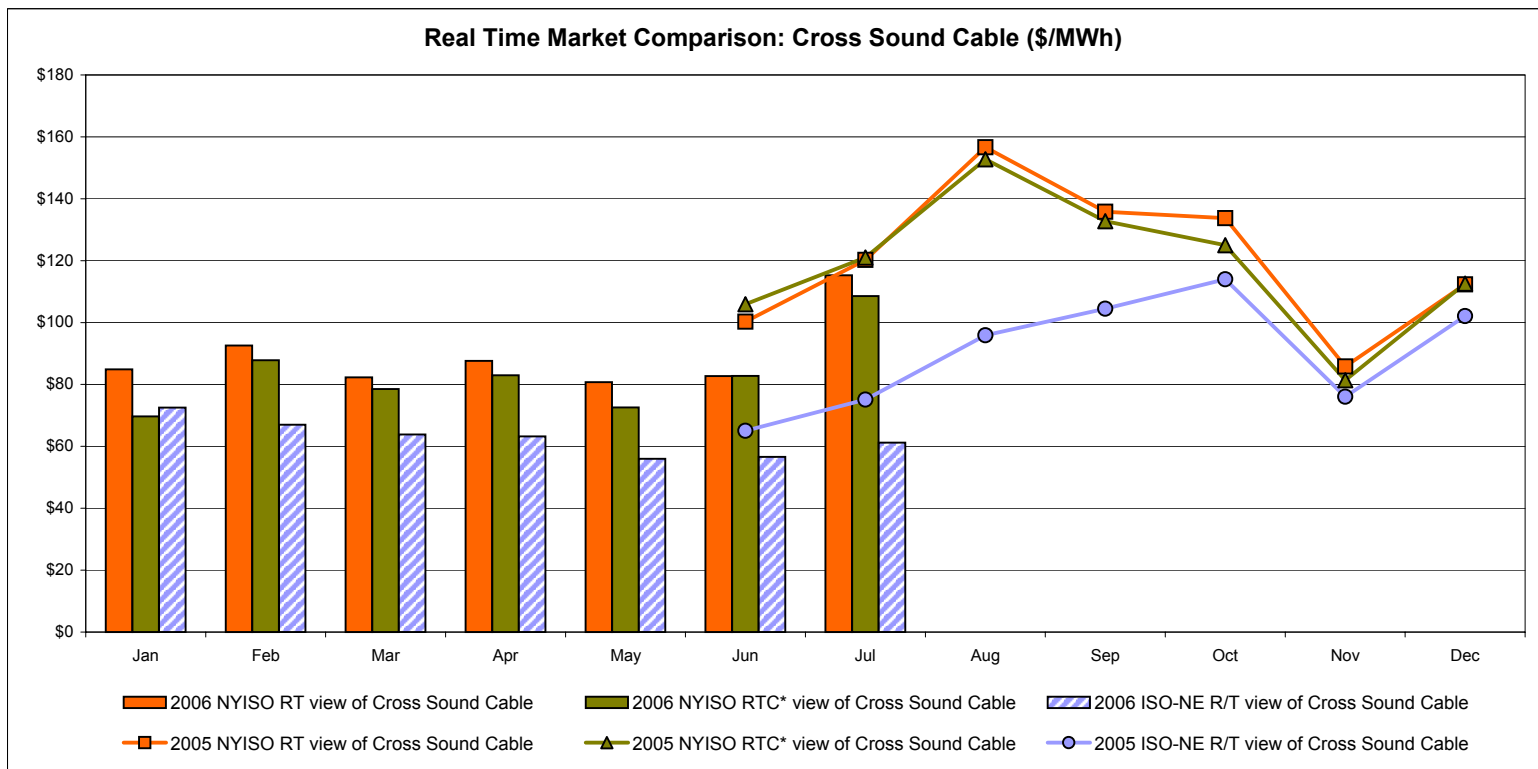
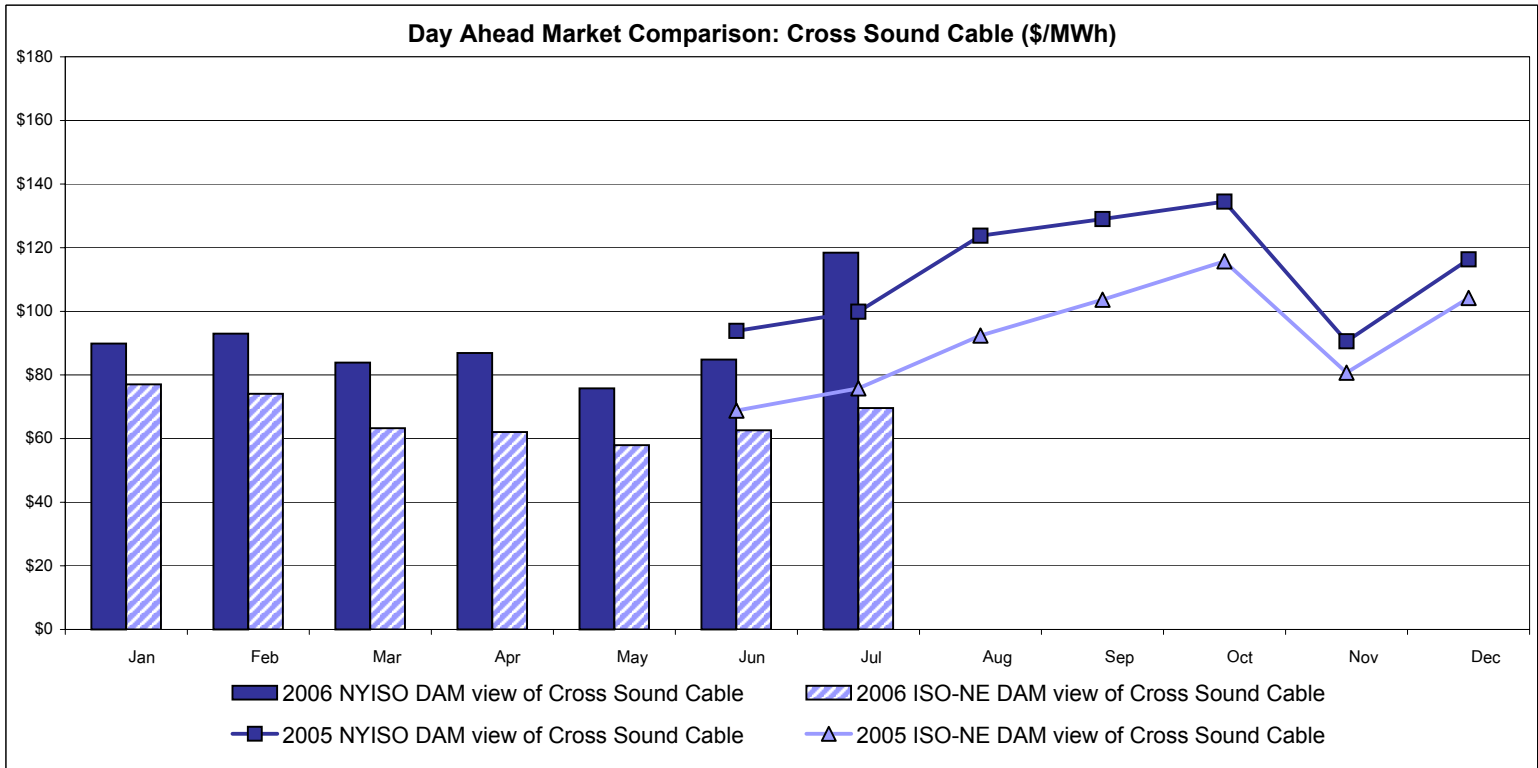
External Comparison Ontario IESO*



Notes: Exchange factor used for July 2006 was .89 to US \$
 HOEP: Hourly Ontario Energy Price
 Pre-Dispatch: Projected Energy Price

* Independent Electricity System Operator formerly known as the Independent Electricity Market Operator (IMO).

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.

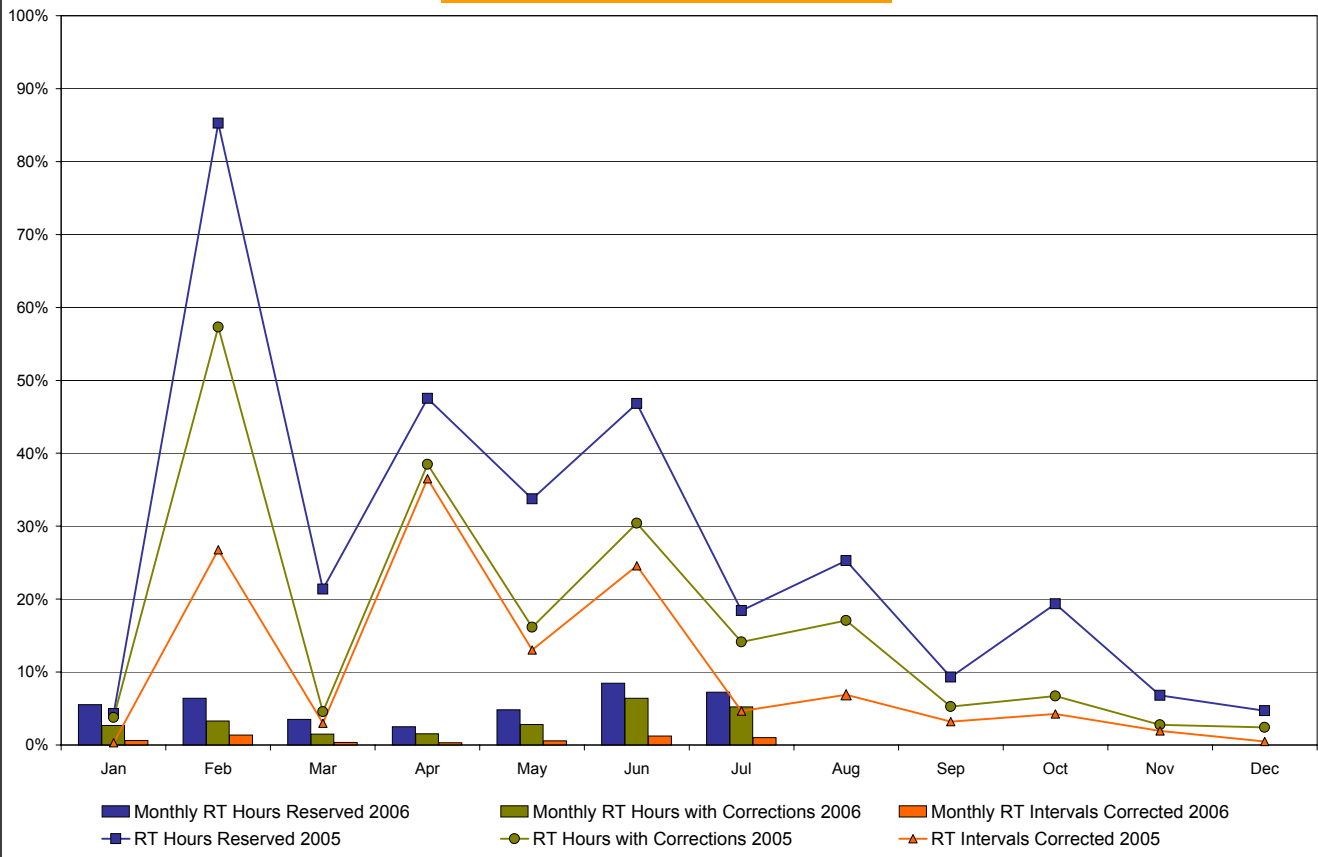
* Referred to as RTC beginning February 2005.
 Prior to February 2005 known as BME or Hour Ahead Market (HAM).

NYISO Real Time Price Correction Statistics

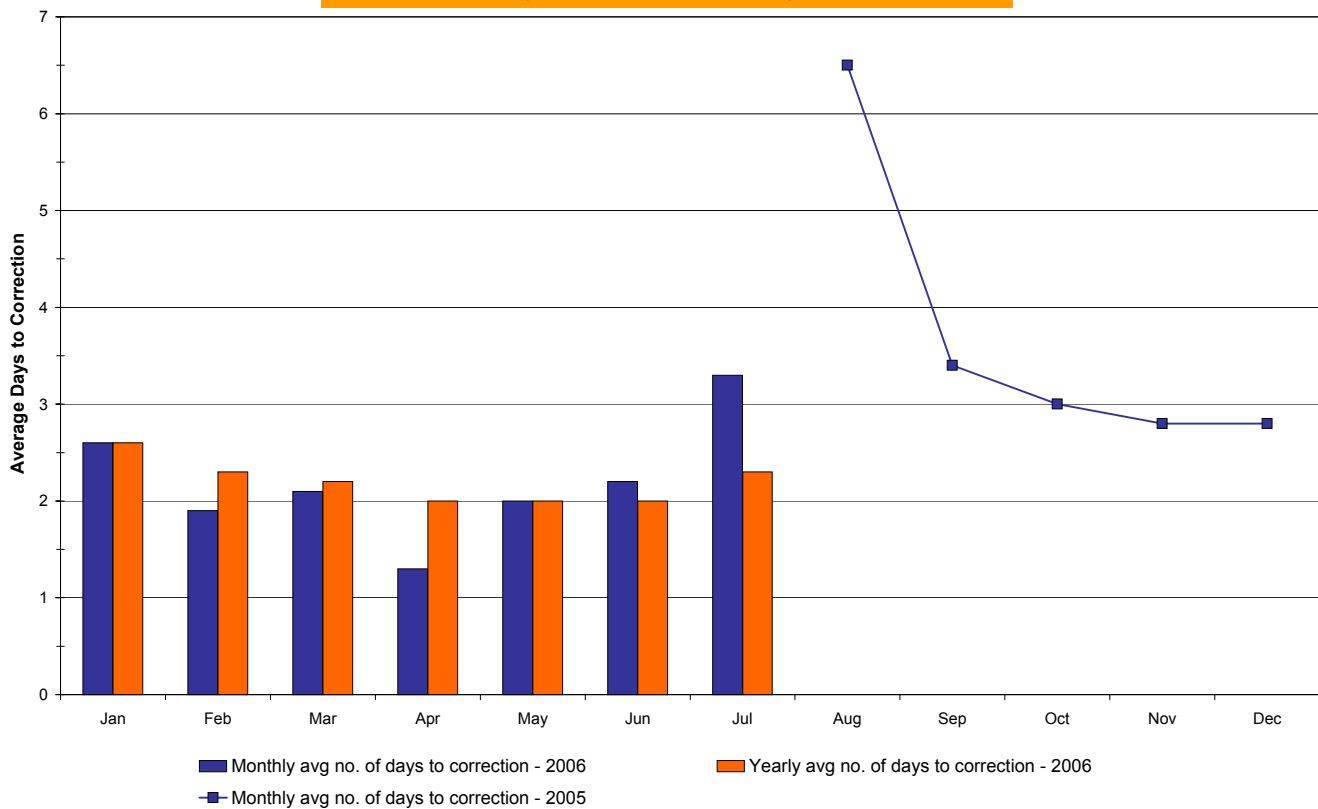
2006		<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
Hour Corrections													
Number of hours with corrections	in the month	20	22	11	11	21	46	39					
Number of hours	in the month	744	672	744	720	744	720	744					
% of hours with corrections	in the month	2.69%	3.27%	1.48%	1.53%	2.82%	6.39%	5.24%					
% of hours with corrections	year-to-date	2.69%	2.97%	2.45%	2.22%	2.35%	3.02%	3.34%					
Interval Corrections													
Number of intervals corrected	in the month	54	112	33	27	51	107	92					
Number of intervals	in the month	9,004	8,129	9,035	8,779	9,037	8,742	9,083					
% of intervals corrected	in the month	0.60%	1.38%	0.37%	0.31%	0.56%	1.22%	1.01%					
% of intervals corrected	year-to-date	0.60%	0.97%	0.76%	0.65%	0.63%	0.73%	0.77%					
Hours Reserved													
Number of hours reserved	in the month	41	43	26	18	36	61	54					
Number of hours	in the month	744	672	744	720	744	720	744					
% of hours reserved	in the month	5.51%	6.40%	3.49%	2.50%	4.84%	8.47%	7.26%					
% of hours reserved	year-to-date	5.51%	5.93%	5.09%	4.44%	4.53%	5.18%	5.48%					
Days to Correction *													
Avg. number of days to correction	in the month	2.6	1.9	2.1	1.3	2.0	2.2	3.3					
Avg. number of days to correction	year-to-date	2.6	2.3	2.2	2.0	2.0	2.0	2.3					
Days Without Corrections													
Days without corrections	in the month	19	18	24	20	21	15	13					
Days without corrections	year-to-date	19	37	61	81	102	117	130					
2005		<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	28	385	34	277	120	219	105	127	38	50	20	18
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	3.76%	57.29%	4.57%	38.47%	16.13%	30.42%	14.11%	17.07%	5.28%	6.72%	2.78%	2.42%
% of hours with corrections	year-to-date	3.76%	29.17%	20.69%	25.14%	23.29%	24.47%	22.96%	22.21%	20.34%	18.96%	17.50%	16.22%
Interval Corrections													
Number of intervals corrected	in the month	37	2,177	266	3,182	1,170	2,145	421	625	281	386	167	43
Number of intervals	in the month	11,811	8,131	8,961	8,711	8,972	8,729	9,024	9,065	8,741	9,029	8,721	9,115
% of intervals corrected	in the month	0.31%	26.77%	2.97%	36.53%	13.04%	24.57%	4.67%	6.89%	3.21%	4.28%	1.91%	0.47%
% of intervals corrected	year-to-date	0.31%	11.10%	8.58%	15.05%	14.67%	16.23%	14.61%	13.65%	12.54%	11.72%	10.87%	10.00%
Hours Reserved													
Number of hours reserved	in the month	32	573	159	342	251	337	137	188	67	144	49	35
Number of hours	in the month	744	672	744	720	744	720	744	744	720	744	720	744
% of hours reserved	in the month	4.30%	85.27%	21.37%	47.50%	33.74%	46.81%	18.41%	25.27%	9.31%	19.35%	6.81%	4.70%
% of hours reserved	year-to-date	4.30%	42.73%	35.37%	38.40%	37.44%	39.00%	35.99%	34.62%	31.84%	30.56%	28.43%	26.42%
Days to Correction *													
Avg. number of days to correction	in the month	-	-	-	-	-	-	-	6.5	3.4	3.0	2.8	2.8
Avg. number of days to correction	year-to-date	-	-	-	-	-	-	-	-	-	-	-	-
Days Without Corrections													
Days without corrections	in the month	12	4	16	3	4	4	6	6	17	17	22	19
Days without corrections	year-to-date	12	16	32	35	39	43	49	55	72	89	111	130

* Calendar days from reservation date. Data available from August 2005.

Percentage of Real-Time Corrections

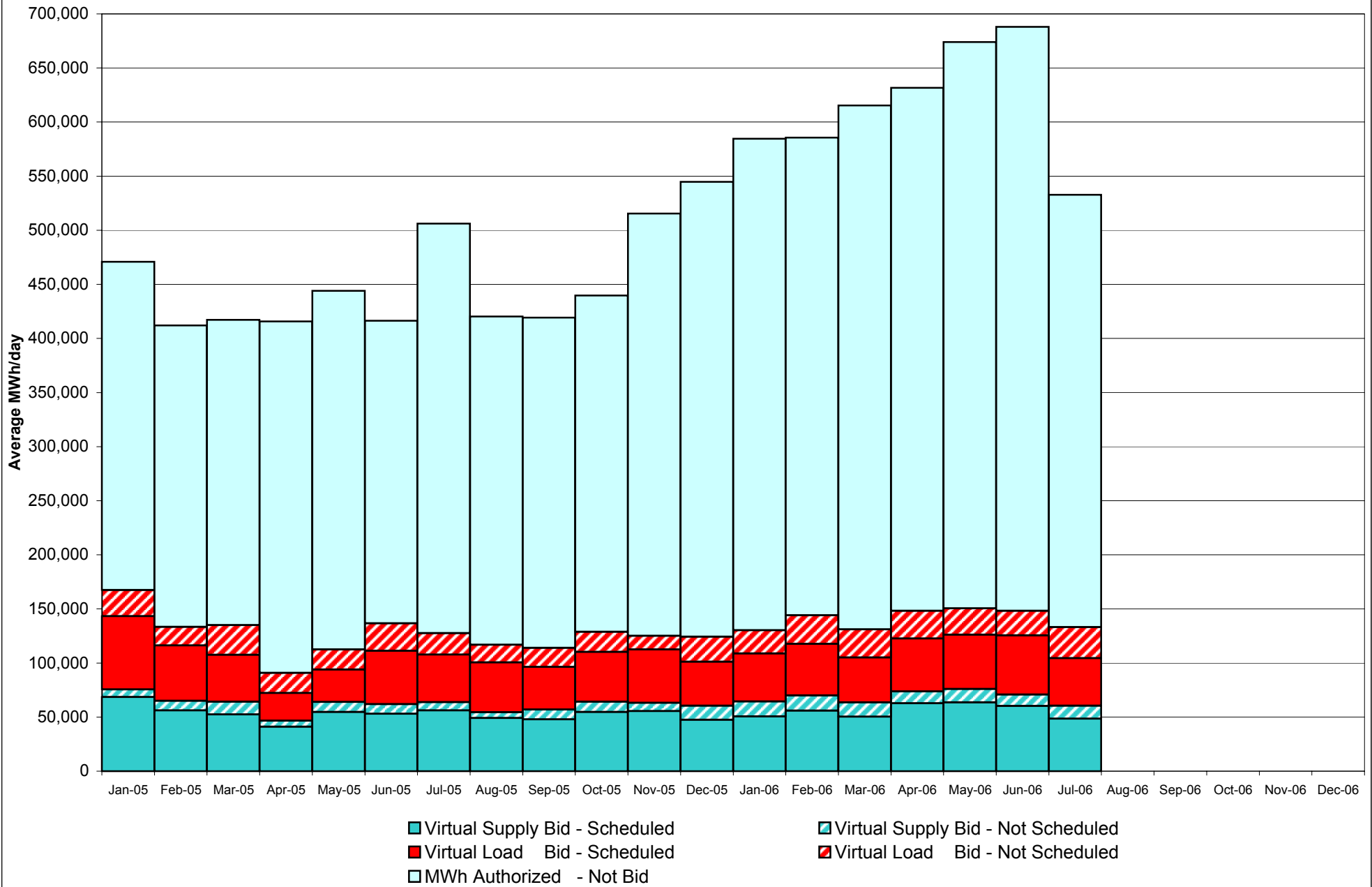


Annual average time period for making Price Corrections (from reservation date) *

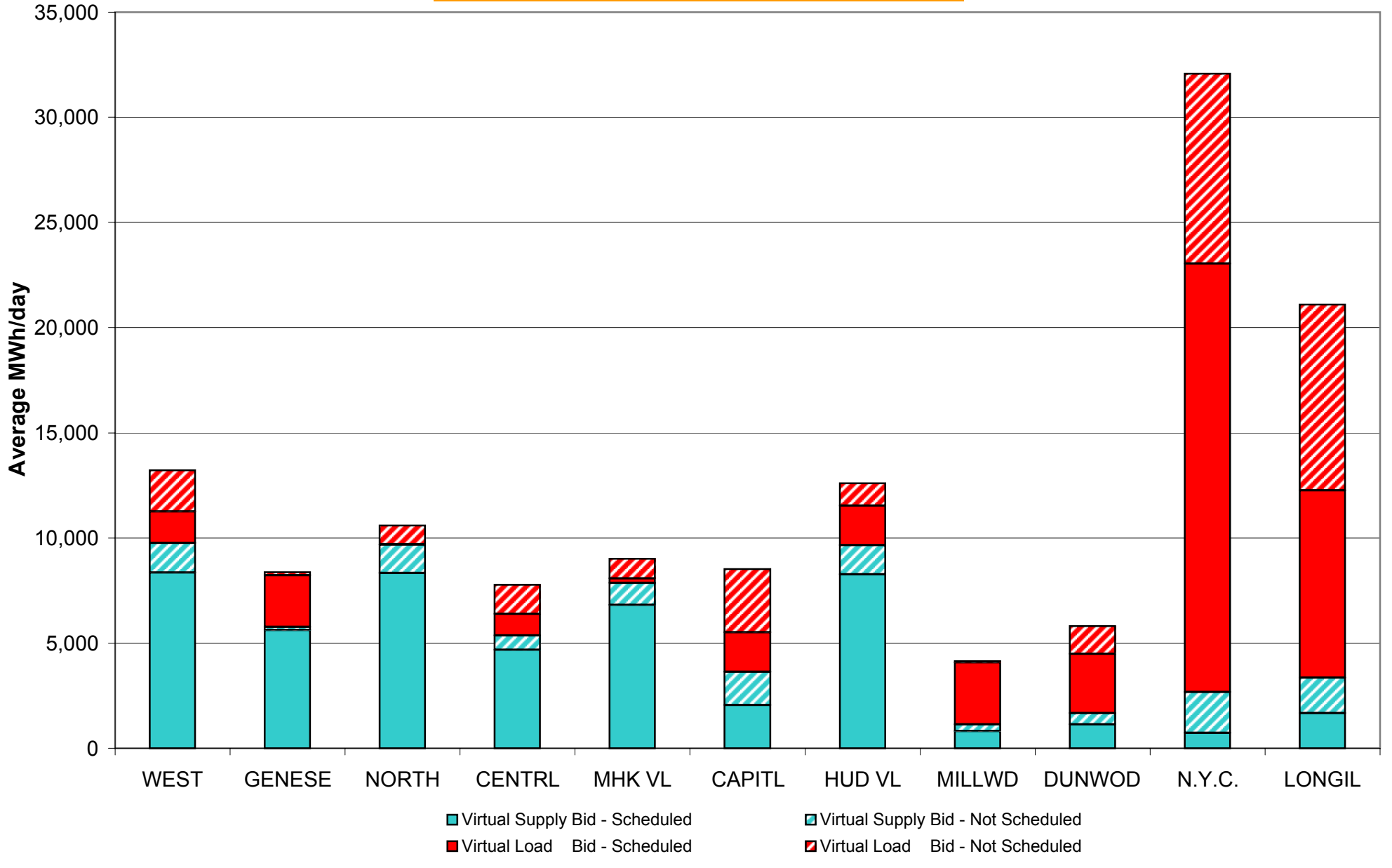


* Calendar days from reservation date. Data available from August 2005.

**NYISO Virtual Trading
Average MWh per day**



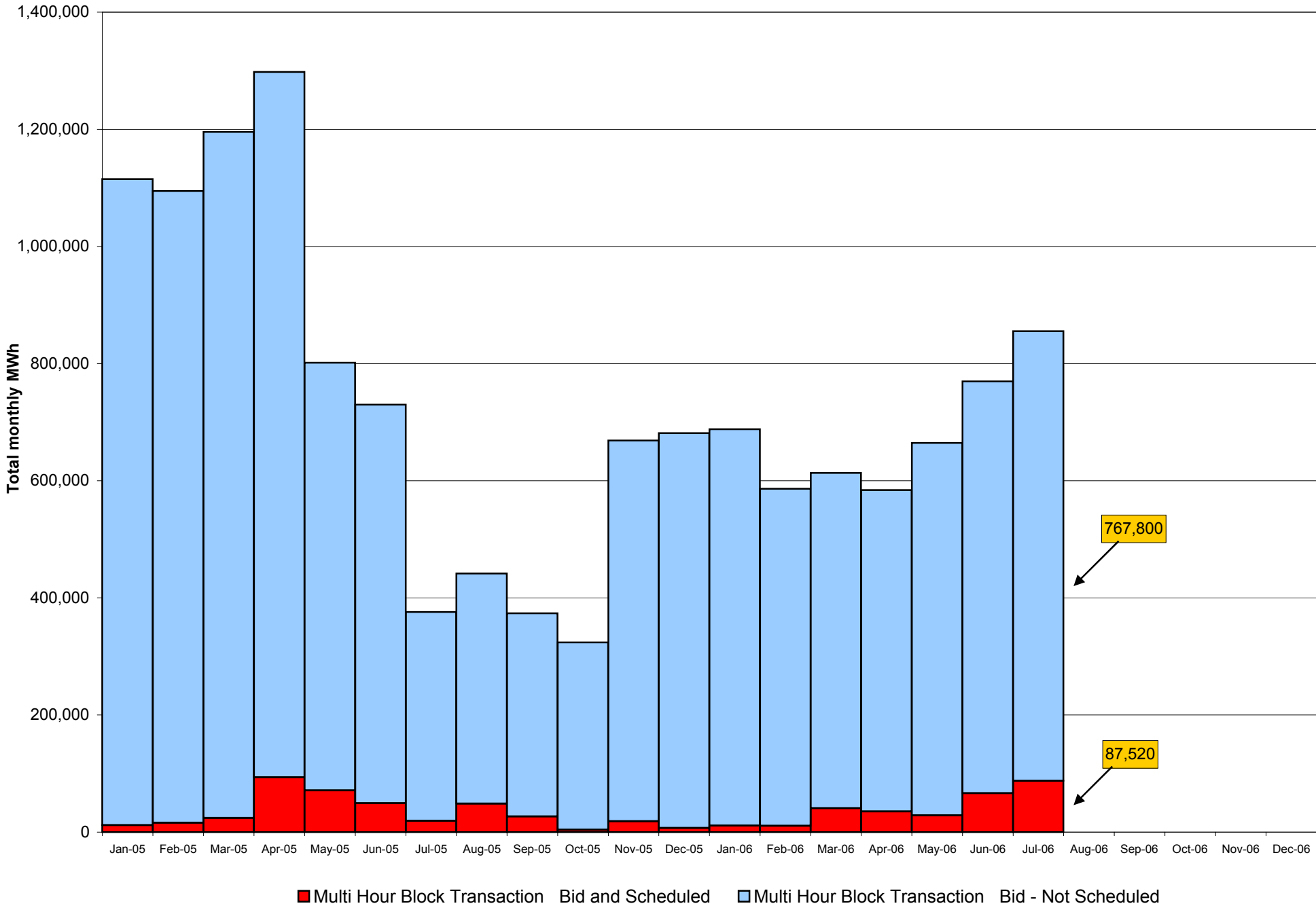
Virtual Load and Supply Zonal Statistics July 2006



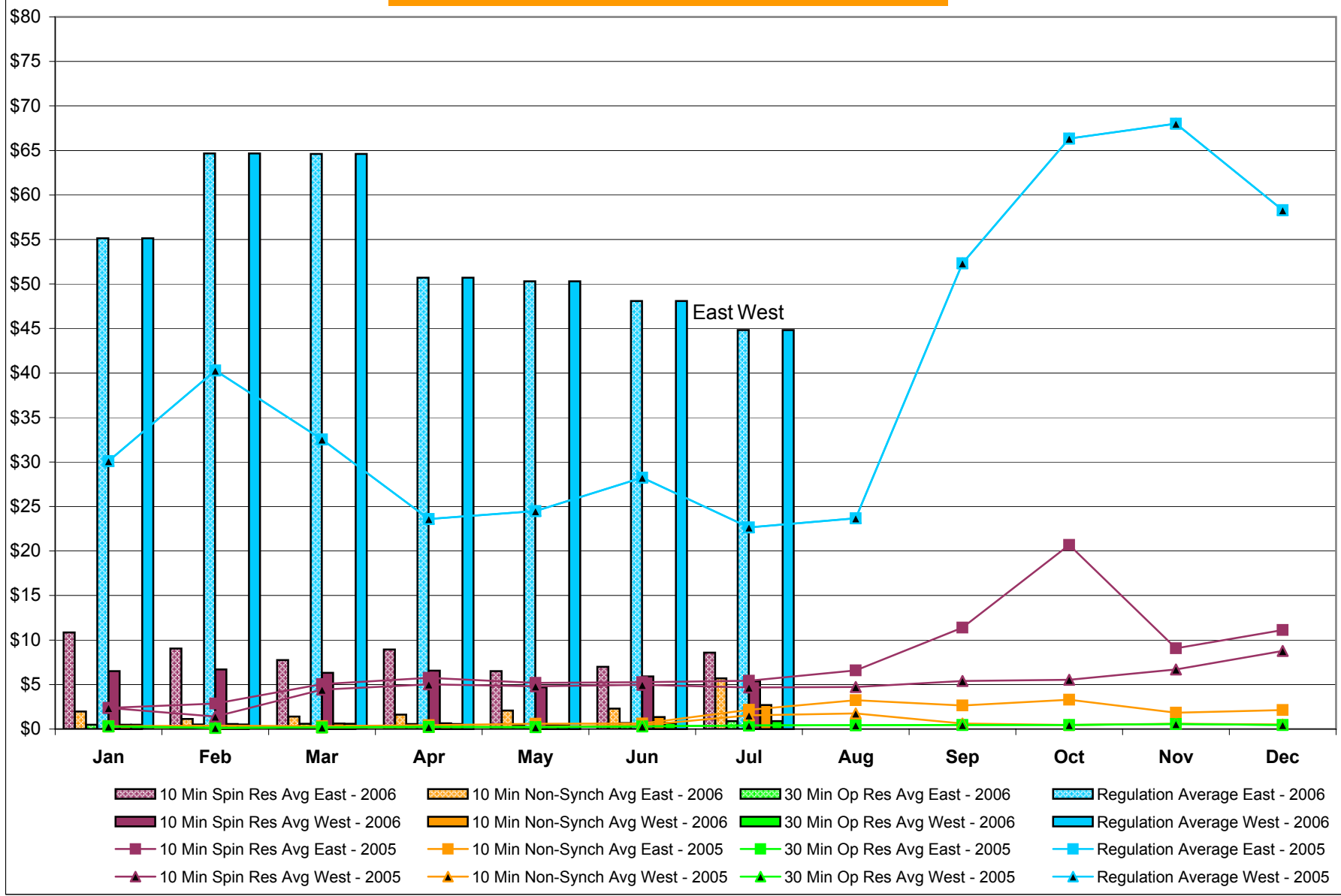
Virtual Load and Supply Zonal Statistics (Average MWh/day) - 2006

		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-06	5,890	2,304	11,610	3,141	MHK VL	Jan-06	46	902	5,884	1,636	DUNWOD	Jan-06	745	644	3,267	26
	Feb-06	5,103	3,356	10,907	3,042		Feb-06	17	930	6,935	891		Feb-06	1,714	399	2,441	42
	Mar-06	3,237	1,807	13,710	2,979		Mar-06	42	932	4,940	937		Mar-06	1,097	47	2,163	27
	Apr-06	3,206	1,676	16,016	2,317		Apr-06	3	841	8,714	579		Apr-06	1,144	722	3,403	60
	May-06	3,602	1,641	13,210	1,806		May-06	40	1,021	8,610	759		May-06	1,056	546	3,949	670
	Jun-06	2,538	2,185	11,018	1,685		Jun-06	407	892	7,818	989		Jun-06	3,095	748	2,761	45
	Jul-06	1,496	1,960	8,348	1,405		Jul-06	226	932	6,813	1,039		Jul-06	2,819	1,314	1,137	538
	Aug-06						Aug-06						Aug-06				
	Sep-06						Sep-06						Sep-06				
	Oct-06						Oct-06						Oct-06				
	Nov-06						Nov-06						Nov-06				
	Dec-06						Dec-06						Dec-06				
GENESE	Jan-06	1,831	708	6,806	73	CAPITL	Jan-06	3,624	1,646	1,192	48	N.Y.C.	Jan-06	19,500	4,668	1,330	3,334
	Feb-06	2,434	208	6,652	55		Feb-06	5,155	2,682	1,584	65		Feb-06	16,986	7,228	2,463	2,793
	Mar-06	1,856	838	6,734	53		Mar-06	2,850	3,171	643	59		Mar-06	12,401	7,131	4,092	2,202
	Apr-06	3,478	92	6,693	205		Apr-06	2,915	3,767	1,584	847		Apr-06	19,173	6,820	1,189	1,699
	May-06	4,049	18	8,510	24		May-06	3,690	3,159	877	2,082		May-06	19,528	6,539	402	1,064
	Jun-06	3,158	44	6,400	118		Jun-06	2,750	2,967	2,076	1,950		Jun-06	20,192	5,844	437	598
	Jul-06	2,441	155	5,610	163		Jul-06	1,883	3,011	2,044	1,583		Jul-06	20,370	9,037	729	1,946
	Aug-06						Aug-06						Aug-06				
	Sep-06						Sep-06						Sep-06				
	Oct-06						Oct-06						Oct-06				
	Nov-06						Nov-06						Nov-06				
	Dec-06						Dec-06						Dec-06				
NORTH	Jan-06	262	22	5,961	1,658	HUD VL	Jan-06	2,086	2,026	8,595	1,717	LONGIL	Jan-06	8,207	6,064	1,091	1,891
	Feb-06	139	101	6,749	2,570		Feb-06	3,722	1,834	8,989	1,964		Feb-06	9,345	8,197	1,088	2,511
	Mar-06	264	21	7,069	2,838		Mar-06	8,898	1,851	5,128	1,716		Mar-06	8,449	10,059	991	2,357
	Apr-06	96	695	8,243	1,926		Apr-06	9,888	1,640	10,242	1,034		Apr-06	7,291	8,424	930	1,750
	May-06	9	921	7,895	1,596		May-06	8,934	1,330	12,005	1,311		May-06	8,188	7,792	1,125	1,939
	Jun-06	204	910	9,925	1,660		Jun-06	7,728	964	10,828	872		Jun-06	11,324	7,000	1,573	1,663
	Jul-06	14	896	8,332	1,340		Jul-06	1,881	1,058	8,272	1,389		Jul-06	8,917	8,823	1,657	1,693
	Aug-06						Aug-06						Aug-06				
	Sep-06						Sep-06						Sep-06				
	Oct-06						Oct-06						Oct-06				
	Nov-06						Nov-06						Nov-06				
	Dec-06						Dec-06						Dec-06				
CENTRL	Jan-06	713	28	3,870	103	MILLWD	Jan-06	1,531	2,596	1,065	11	NYISO	Jan-06	44,436	21,609	50,671	13,639
	Feb-06	395	27	7,081	165		Feb-06	2,540	1,560	1,067	24		Feb-06	47,550	26,523	55,956	14,122
	Mar-06	581	28	4,683	31		Mar-06	1,799	135	189	7		Mar-06	41,475	26,020	50,342	13,205
	Apr-06	673	882	4,838	522		Apr-06	943	97	904	28		Apr-06	48,811	25,655	62,755	10,967
	May-06	674	1,101	4,694	945		May-06	453	210	2,346	169		May-06	50,222	24,279	63,624	12,364
	Jun-06	578	1,098	6,115	900		Jun-06	2,543	95	1,352	118		Jun-06	54,518	22,746	60,303	10,597
	Jul-06	1,032	1,377	4,672	687		Jul-06	2,935	61	804	335		Jul-06	44,013	28,624	48,419	12,117
	Aug-06						Aug-06						Aug-06				
	Sep-06						Sep-06						Sep-06				
	Oct-06						Oct-06						Oct-06				
	Nov-06						Nov-06						Nov-06				
	Dec-06						Dec-06						Dec-06				

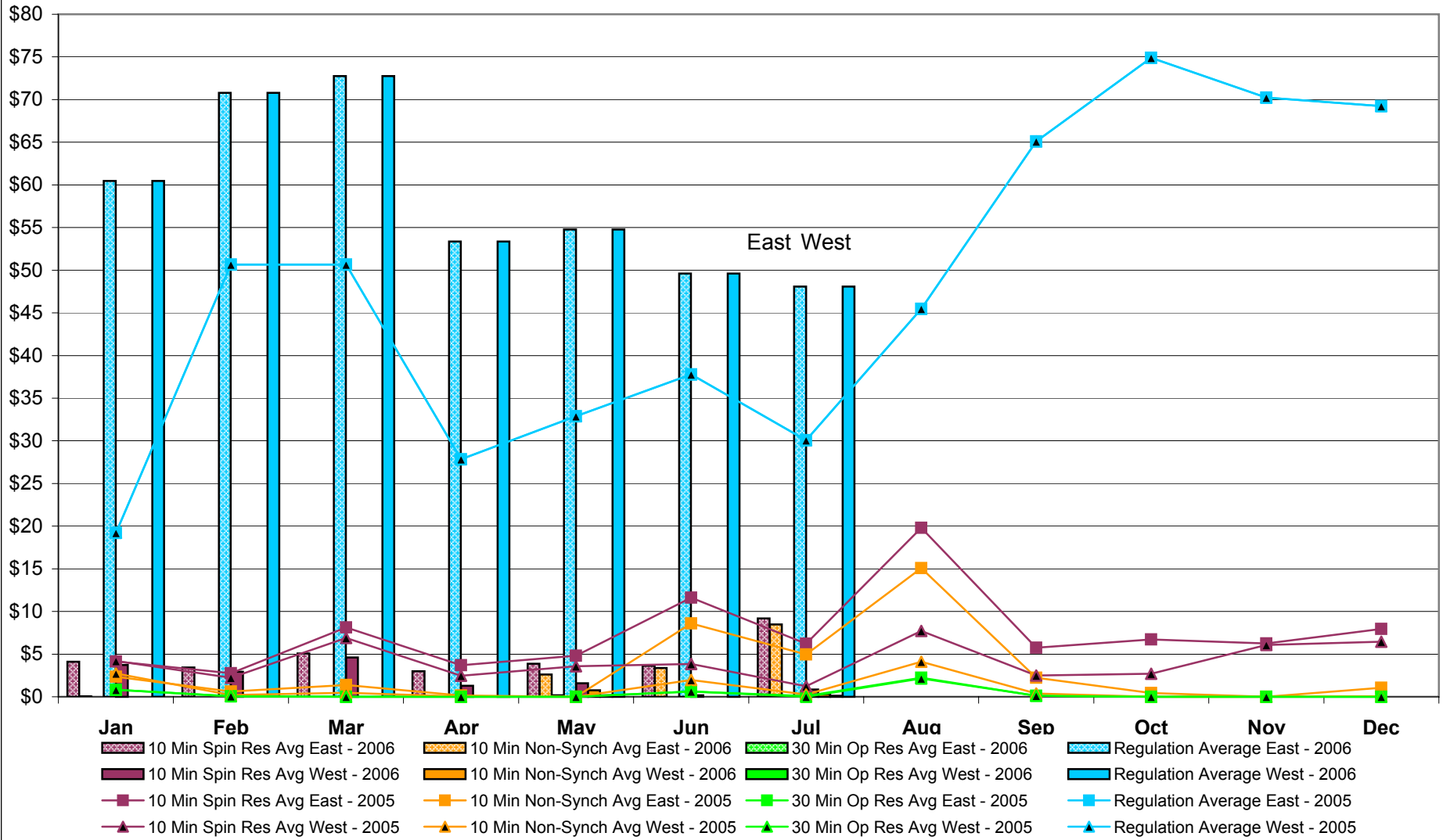
NYISO Multi Hour Block Transactions Monthly Total MWh



NYISO Monthly Average Ancillary Service Prices Day Ahead Market 2005 - 2006

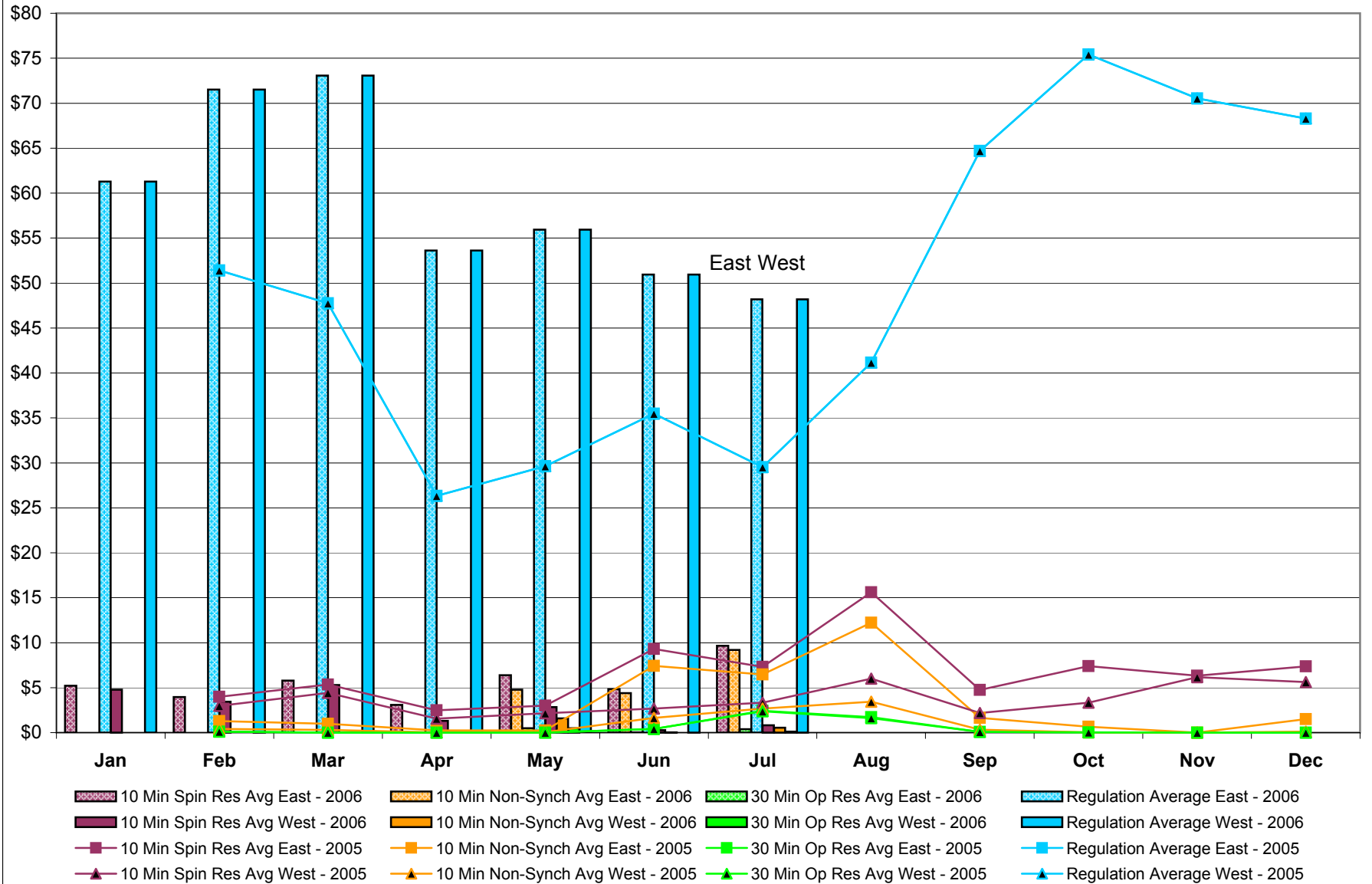


NYISO Monthly Average Ancillary Service Prices RTC* Market 2005 - 2006



* Referred to as RTC beginning February 2005
Prior to February 2005 known as BME or Hour Ahead Market (HAM)

NYISO Monthly Average Ancillary Service Prices Real Time Market* 2005 - 2006



* The Real Time Ancillary Market began in February 2005

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

2006	<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	10.86	9.06	7.76	8.94	6.52	6.98	8.60					
10 Min Spin West	6.50	6.70	6.32	6.56	4.71	5.92	5.37					
10 Min Non Synch East	1.97	1.15	1.39	1.63	2.07	2.31	5.71					
10 Min Non Synch West	0.50	0.56	0.62	0.66	0.40	1.34	2.69					
30 Min East	0.48	0.52	0.59	0.58	0.38	0.66	0.89					
30 Min West	0.48	0.52	0.59	0.58	0.38	0.66	0.89					
Regulation East	55.13	64.65	64.62	50.71	50.30	48.10	44.83					
Regulation West	55.13	64.65	64.62	50.71	50.30	48.10	44.83					
<u>RTC* Market</u>												
10 Min Spin East	4.10	3.44	5.07	3.00	3.86	3.65	9.19					
10 Min Spin West	3.71	2.93	4.59	1.28	1.60	0.18	0.85					
10 Min Non Synch East	0.02	0.01	0.00	0.01	2.60	3.36	8.48					
10 Min Non Synch West	0.00	0.00	0.00	0.00	0.77	0.00	0.32					
30 Min East	0.00	0.00	0.00	0.00	0.19	0.00	0.11					
30 Min West	0.00	0.00	0.00	0.00	0.19	0.00	0.11					
Regulation East	60.46	70.79	72.76	53.37	54.76	49.60	48.08					
Regulation West	60.46	70.79	72.76	53.37	54.76	49.60	48.08					
<u>Real Time Market**</u>												
10 Min Spin East	5.20	3.96	5.78	3.07	6.38	4.84	9.66					
10 Min Spin West	4.78	3.43	5.30	1.32	2.82	0.28	0.81					
10 Min Non Synch East	0.01	0.00	0.00	0.01	4.79	4.40	9.20					
10 Min Non Synch West	0.00	0.00	0.00	0.00	1.58	0.02	0.54					
30 Min East	0.00	0.00	0.00	0.00	0.49	0.02	0.37					
30 Min West	0.00	0.00	0.00	0.00	0.49	0.01	0.12					
Regulation East	61.28	71.52	73.06	53.62	55.93	50.95	48.17					
Regulation West	61.28	71.52	73.06	53.62	55.93	50.95	48.17					
2005	<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	2.38	2.87	5.06	5.76	5.19	5.26	5.44	6.59	11.38	20.70	9.08	11.12
10 Min Spin West	2.37	1.39	4.43	5.03	4.80	4.96	4.68	4.73	5.41	5.54	6.68	8.77
10 Min Non Synch East	0.31	0.37	0.31	0.44	0.60	0.61	2.16	3.25	2.65	3.31	1.82	2.14
10 Min Non Synch West	0.31	0.13	0.20	0.24	0.23	0.43	1.54	1.75	0.63	0.47	0.59	0.52
30 Min East	0.31	0.13	0.19	0.24	0.22	0.29	0.41	0.44	0.47	0.46	0.57	0.47
30 Min West	0.31	0.13	0.19	0.24	0.22	0.29	0.41	0.44	0.47	0.46	0.57	0.47
Regulation East	30.10	40.28	32.53	23.61	24.49	28.23	22.66	23.67	52.33	66.33	68.02	58.28
Regulation West	30.10	40.28	32.53	23.61	24.49	28.23	22.66	23.67	52.33	66.33	68.02	58.28
<u>RTC* Market</u>												
10 Min Spin East	4.15	2.75	8.13	3.71	4.80	11.61	6.23	19.80	5.75	6.72	6.25	7.94
10 Min Spin West	4.20	2.23	6.90	2.46	3.58	3.84	1.24	7.72	2.50	2.69	6.06	6.45
10 Min Non Synch East	2.35	0.62	1.38	0.14	0.00	8.58	4.96	15.08	2.22	0.44	0.01	1.07
10 Min Non Synch West	2.72	0.21	0.47	0.03	0.00	1.96	0.25	4.09	0.37	0.00	0.00	0.06
30 Min East	0.83	0.05	0.00	0.00	0.00	0.62	0.08	2.22	0.12	0.00	0.00	0.00
30 Min West	0.83	0.05	0.00	0.00	0.00	0.61	0.00	2.15	0.12	0.00	0.00	0.00
Regulation East	19.23	50.66	50.65	27.85	32.87	37.80	30.07	45.47	65.10	74.90	70.23	69.23
Regulation West	19.23	50.66	50.65	27.85	32.87	37.80	30.07	45.47	65.10	74.90	70.23	69.23
<u>Real Time Market**</u>												
10 Min Spin East	-	3.99	5.34	2.47	3.00	9.30	7.30	15.60	4.75	7.40	6.32	7.36
10 Min Spin West	-	2.97	4.42	1.56	2.16	2.69	3.33	5.99	2.19	3.34	6.16	5.62
10 Min Non Synch East	-	1.27	0.98	0.25	0.24	7.43	6.46	12.22	1.63	0.65	0.00	1.49
10 Min Non Synch West	-	0.41	0.29	0.02	0.07	1.63	2.68	3.44	0.33	0.01	0.00	0.12
30 Min East	-	0.12	0.00	0.00	0.00	0.40	2.43	1.71	0.09	0.01	0.00	0.00
30 Min West	-	0.11	0.00	0.00	0.00	0.40	2.36	1.61	0.09	0.01	0.00	0.00
Regulation East	-	51.41	47.74	26.33	29.62	35.47	29.52	41.14	64.70	75.41	70.52	68.30
Regulation West	-	51.41	47.74	26.33	29.62	35.47	29.52	41.13	64.70	75.41	70.52	68.30

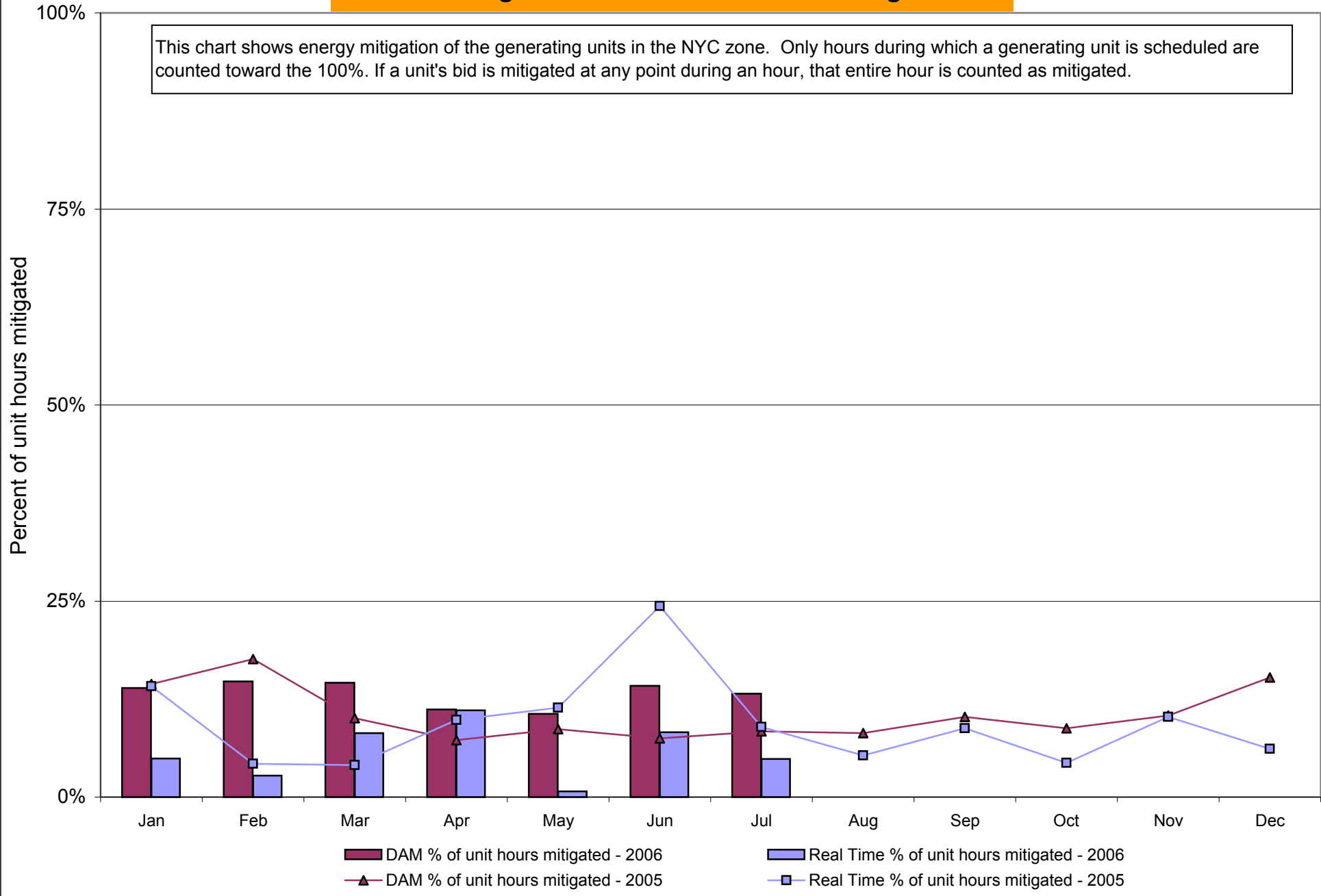
* Referred to as RTC beginning February 2005. Prior to February 2005 known as BME or Hour Ahead Market (HAM).

** The Real Time Ancillary Market began in February 2005.

NYISO In City Energy Mitigation (NYC Zone) 2005-2006

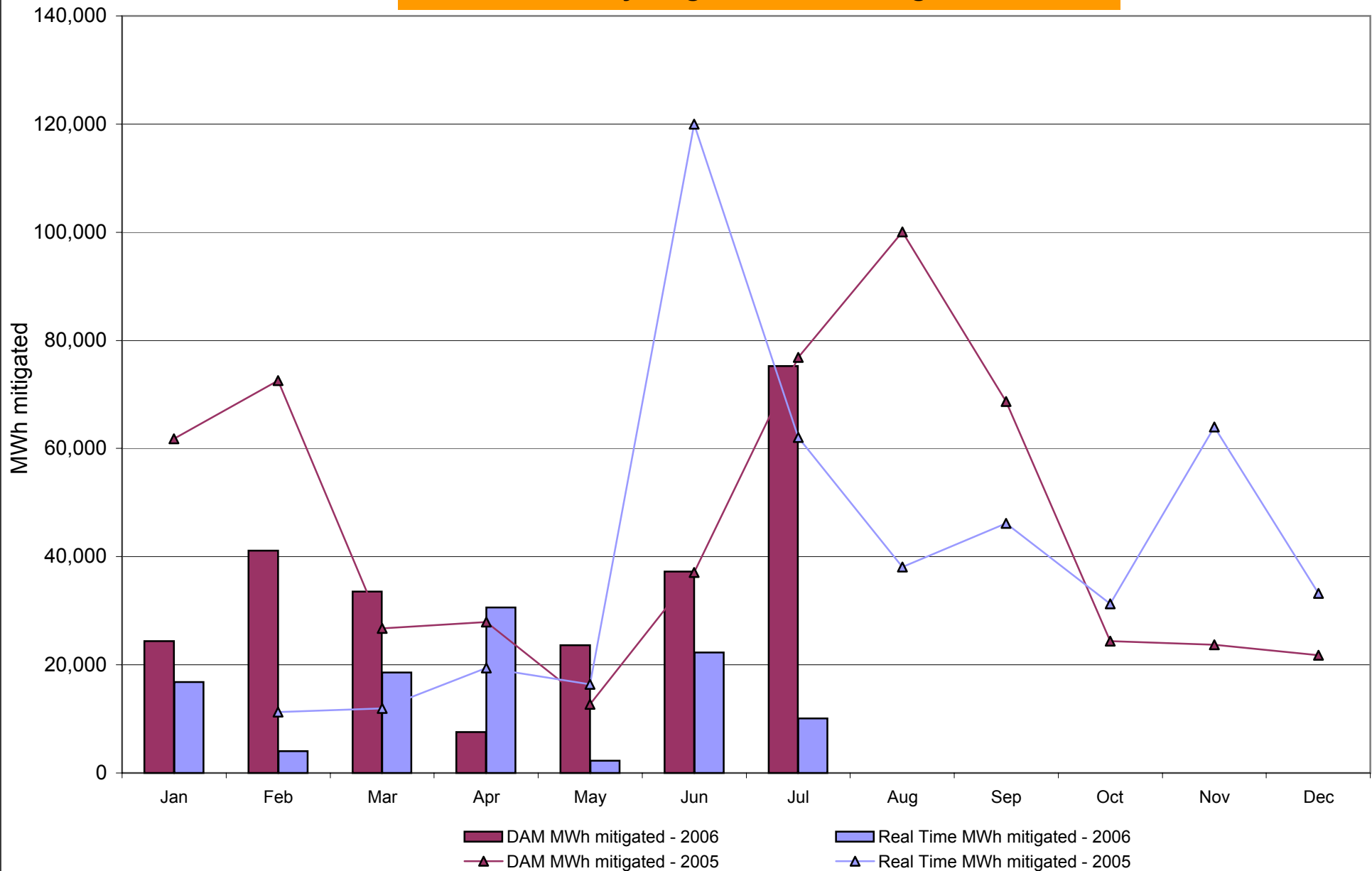
Percentage of committed unit-hours mitigated

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.



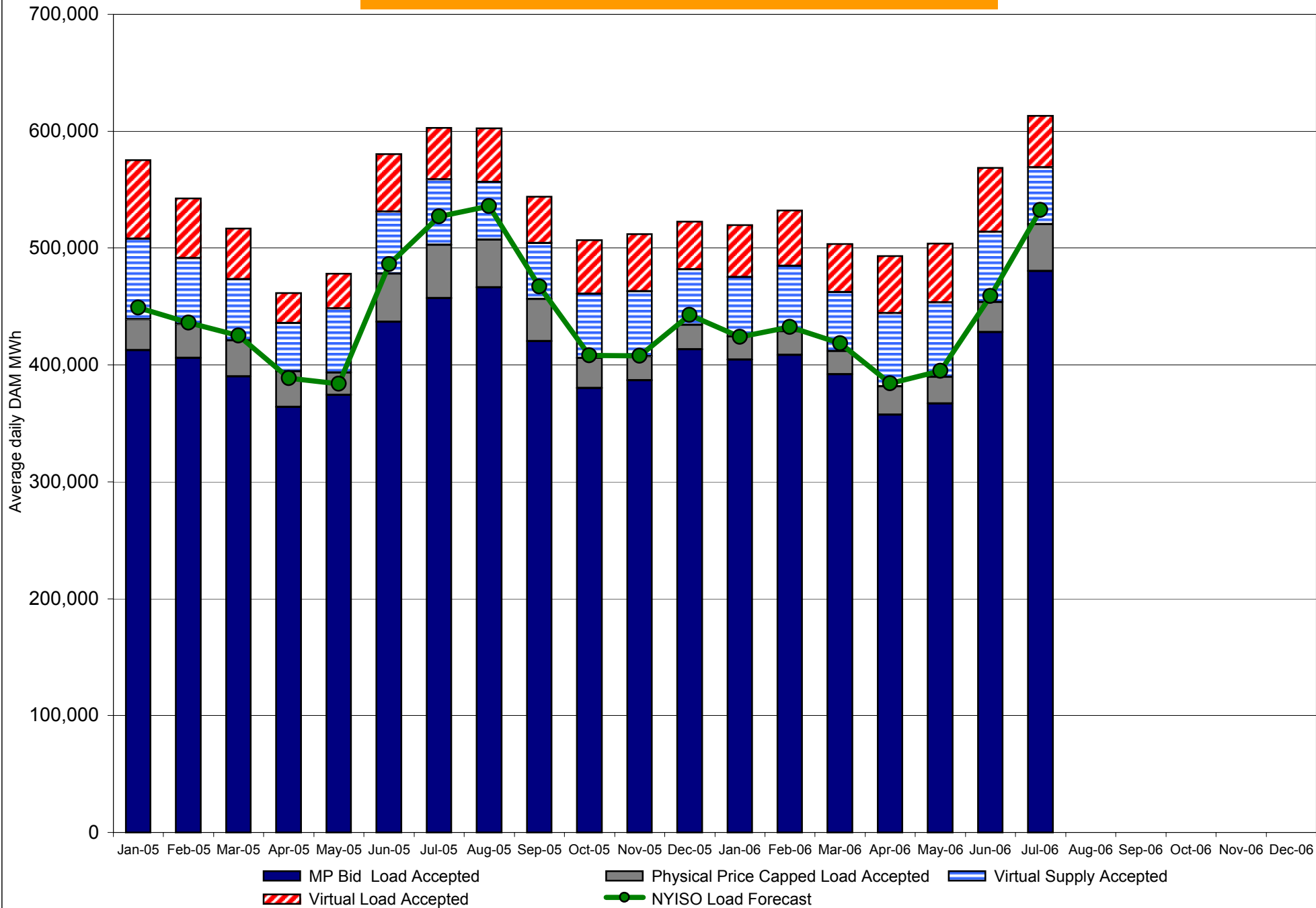
NYISO In City Energy Mitigation (NYC Zone) 2005-2006

Monthly megawatt hours mitigated

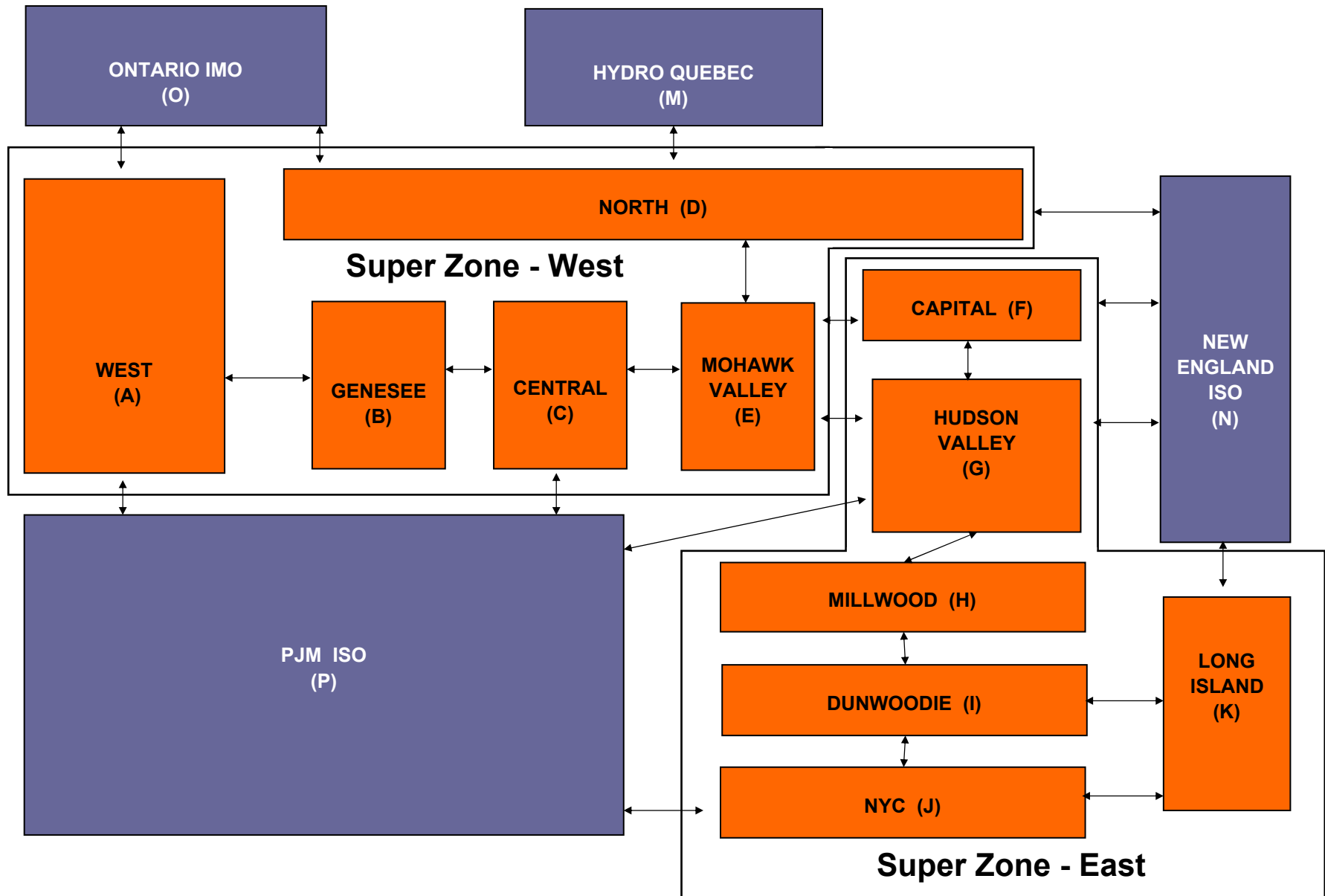


RT mitigation data available with SMD2 deployment in February 2005.

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