Financial Statements

Independent Auditors' Report
To the Board of Directors of
New York Independent System Operator, Inc.

We have audited the accompanying statements of financial position of New York Independent System Operator, Inc. ("NYISO") as of December 31, 2004 and 2003, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of NYISO's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of NYISO as of December 31, 2004 and 2003, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Deloitte & Touche LLP

March 31, 2005

Statements of Financial Position

December 31, 2004 and 2003

	2004	2003
ASSETS		
Current Assets:		
Cash and cash equivalents	**$ 25,425,296**	$ 48,930,462
Accounts receivable—net (Note 2)	**15,130,434**	13,810,170
Prepaid expenses	**5,640,669**	6,417,675
Restricted cash	**198,480,496**	210,467,802
Regulatory assets—current portion (Note 3)	**672,865**	-
Other current assets	**217,173**	345,078
Total current assets	**245,566,933**	279,971,187
Noncurrent Assets:		
Regulatory transition asset, net (Note 3)	**-**	10,988,489
Regulatory assets (Note 3)	**17,007,859**	-
Property and equipment—net (Note 4)	**83,974,918**	69,593,658
Other noncurrent assets	**3,074,645**	2,340,637
Total noncurrent assets	**104,057,422**	82,922,784
Total Assets	**$ 349,624,355**	$ 362,893,971
LIABILITIES		
Current Liabilities:		
Accounts payable and accrued expenses	**$ 14,992,304**	$ 16,811,758
Market participant security deposits	**172,842,650**	187,353,080
Long-term debt—current portion (Note 6)	**22,250,000**	25,898,628
Working capital reserve (Note 10)	**46,908,875**	48,785,895
Deferred revenue (Note 11)	**20,786,444**	17,019,930
Regulatory liabilities—current portion (Note 12)	**2,057,582**	3,289,497
Other current liabilities	**545,709**	879,126
Total current liabilities	**280,383,564**	300,037,914
Noncurrent Liabilities:		
Accrued pension liability (Note 8)	**530,675**	662,246
Accrued postretirement liability (Note 8)	**2,724,583**	2,161,503
Regulatory liabilities (Note 12)	**7,557,893**	19,490,432
Other noncurrent liabilities (Note 8)	**1,469,307**	950,209
Long-term debt (Note 6)	**56,958,333**	39,591,667
Total noncurrent liabilities	**69,240,791**	62,856,057
Commitments and Contingencies (Note 13)		
Total Liabilities	**$ 349,624,355**	$ 362,893,971

See notes to financial statements.

Statements of Activities

Years Ended December 31, 2004 and 2003

	2004	2003
Revenues:		
Rate Schedule 1 tariff charge	**$ 135,620,291**	$ 116,822,858
Fees and services	**786,831**	755,936
Interest income	**254,473**	240,475
Total revenues	**136,661,595**	117,819,269
Operating Expenses:		
Compensation and related benefits (Note 8)	**37,735,650**	32,742,038
Professional fees and consultants	**26,999,485**	24,972,472
Depreciation and amortization	**24,375,869**	17,570,115
Rent, equipment leases and other facility costs	**15,680,042**	10,627,028
Amortization of regulatory transition asset (Note 3)	**10,988,489**	10,988,489
Federal Energy Regulatory Commission fees	**5,311,674**	7,862,930
Telecommunications	**4,525,625**	3,110,895
Administrative and other expenses	**4,477,103**	4,137,937
Training, travel and meeting expenses	**2,635,422**	2,986,814
Northeast Power Coordinating Council fees	**1,506,734**	1,496,308
Total operating expenses	**134,236,093**	116,495,026
Interest Expense—Net	**$ 2,425,502**	$ 1,324,243
Net Results of Activities	**$ -**	$ -

See notes to financial statements.

Statements of Cash Flows

Years Ended December 31, 2004 and 2003

	2004	2003
Cash Flows from Operating Activities:		
Net results of activities	**$ -**	$ -
Adjustments to reconcile net results of activities to net cash provided by operating activities:		
Depreciation and amortization	**24,375,869**	17,570,115
Amortization of regulatory transition asset	**10,988,489**	10,988,489
Loss on disposal of fixed asset	**47,874**	-
Change in operating assets and liabilities:		
(Increase) decrease in accounts receivable and prepaid expenses	**(543,257)**	16,740,422
(Decrease) increase in accounts payable and accrued expenses	**(1,819,454)**	1,845,193
Decrease (increase) in restricted cash	**11,987,306**	(103,166,777)
(Increase) in regulatory assets	**(17,680,725)**	-
(Increase) decrease in other assets	**(606,103)**	1,096,650
(Decrease) increase in working capital reserve	**(1,877,020)**	363,436
(Decrease) increase in market participant security deposits	**(14,510,430)**	105,049,916
(Decrease) in deferred revenue and other liabilities	**(8,780,752)**	(9,078,596)
Net cash provided by operating activities	**1,581,797**	41,408,848
Cash Flows from Investing Activities:		
Acquisition of property and equipment (including capitalized interest)	**(38,805,002)**	(57,614,703)
Net cash used in investing activities	**(38,805,002)**	(57,614,703)
Cash Flows from Financing Activities:		
Proceeds from 2004 budget facility loan	**42,000,000**	-
Proceeds from 2003 budget facility loan	**-**	47,000,000
Repayment of term credit loan	**(12,656,961)**	(11,799,241)
Repayment of 2003 budget facility loan	**(9,791,667)**	-
Repayment of equipment term notes	**(5,833,333)**	(3,500,000)
Decrease in capital lease obligations	**-**	(116,602)
Net cash provided by financing activities	**13,718,039**	31,584,157
Net (Decrease) Increase in Cash and Cash Equivalents	**(23,505,166)**	15,378,302
Cash and Cash Equivalents—Beginning of Year	**48,930,462**	33,552,160
Cash and Cash Equivalents—End of Year	**$ 25,425,296**	$ 48,930,462
Supplemental Disclosure of Cash Flow Information—		
Cash paid during the year for interest	**$ 2,207,400**	$ 2,316,991

See notes to financial statements.

Notes to Financial Statements

Years Ended December 31, 2004 and 2003

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business Description—The New York Independent System Operator, Inc. ("NYISO") was formed in April 1997 and commenced operations on December 1, 1999. NYISO is incorporated in the State of New York as a not-for-profit organization. NYISO assumed the responsibilities of its predecessor, the New York Power Pool ("NYPP"), which had coordinated the reliability of New York State's electric power grid for more than 30 years. Formed as a result of Federal Energy Regulatory Commission ("FERC") policies, NYISO monitors a network of more than 10,775 miles of high-voltage transmission lines and serves approximately 250 market participants.

NYISO's principal objectives are to ensure the reliable, safe and efficient operation of the New York State transmission system and to administer an open, competitive and nondiscriminatory wholesale market for electricity in New York State. NYISO facilitates fair and open competition in the wholesale power market and creates an electricity commodity market in which power is purchased and sold on the basis of competitive bidding. NYISO utilizes a bid process for electricity and transmission usage, which enables New York State's utilities and other market participants, to offer electricity at competitive prices, rather than regulated rates. Billing invoices are issued to each market participant by NYISO each month to settle transactions occurring in the previous month.

NYISO is governed by an independent board of directors, as well as a committee structure consisting of market participant representatives. In addition to FERC oversight, NYISO is also subject to regulation in certain aspects by the New York State Department of Public Service.

Basis of Accounting—The accompanying financial statements have been prepared on an accrual basis of accounting in accordance with accounting principles generally accepted in the United States.

Regulation—NYISO's financial statements are prepared in accordance with generally accepted accounting principles for rate-regulated entities. Statement of Financial Accounting Standards ("SFAS") No. 71, *Accounting for the Effects of Certain Types of Regulation,* requires an entity that is rate regulated on a cost-of-service basis, to recognize regulatory assets and liabilities for amounts, which would otherwise be included in earnings, when authorized to do so.

Revenue Recognition—Monthly settlements of market participants' energy transactions are not reflected in NYISO's Statement of Activities since they do not represent revenues or expenses of NYISO as NYISO merely acts as an intermediary in the settlement process. In this role, NYISO receives and disburses funds to/from market participants in the month following the month transactions occurred. See Note 15 for an unaudited summary of transactional volumes occurring in 2004 and 2003.

NYISO's two FERC-approved tariffs, the Open Access Transmission Tariff ("OATT") and the Market Administration and Control Area Services Tariff ("Services Tariff"), allow recovery of NYISO's operating expenses through a surcharge assessed to market participants. The revenue from this surcharge, Rate Schedule 1, is earned when energy is scheduled and dispatched. Market participants are then billed for such charges in the subsequent month.

Cash Equivalents—NYISO considers short-term marketable securities with original maturities of three months or less to be cash equivalents. The cash equivalents at December 31, 2004 and 2003 were held in short-term United States government obligations. NYISO's cash and cash equivalents consist primarily of funds accumulated for the working capital reserve and for general operating purposes.

Restricted Cash—Restricted cash consists primarily of market participant security deposits held in escrow accounts, amounts prepaid by market participants in advance of settlements billing dates, amounts retained by NYISO pursuant to setoff, amounts due to market participants for overcollections on the voltage market, and amounts reserved for funding employee benefit plans.

Other Assets—Other assets consist primarily of the intangible asset related to NYISO's pension plan, the fair value of securities held by the Trust Share Option Agreement, the fair value of two interest rate cap agreements, and other deferred charges.

Property and Equipment—Property and equipment are recorded at cost. NYISO capitalizes property and equipment additions in excess of $5,000 with a useful life greater than one year. Depreciation is computed on the straight-line method over the assets' estimated useful lives of three to five years. Building improvements are depreciated on a straight-line basis over forty years. When assets are retired or otherwise disposed of, the cost and related depreciation are removed, and any resulting gain or loss is reflected in income for the period. Repairs and maintenance costs are charged to expense when incurred.

In accordance with Statement of Position 98-1, *Accounting for Costs of Computer Software Developed or Obtained for Internal Use,* labor, overhead, interest, consulting and related costs incurred to acquire and develop computer software for internal use are capitalized and amortized using the straight-line method over three years. Costs incurred prior to the determination of feasibility of developed software and following the in-service date of developed software are expensed.

Long-lived assets are recorded at cost, and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts of the assets may not be recoverable. Management is not aware of any events or changes in circumstances that would necessitate a review of any long-lived assets as of the years ending December 31, 2004 or 2003.

Working Capital Reserve—In order to maintain the liquidity and stability of NYISO's markets, NYISO has accumulated a working capital fund through amounts charged to market participants under Rate Schedule 1. Any additional working capital needs would be billed to market participants in future Rate Schedule 1 charges.

Deferred Revenue—Amounts received from certain market participants who do not provide an alternate form of financial assurance and must prepay their obligations to NYISO in advance of settlements billing dates, and amounts retained by NYISO pursuant to setoff, are recorded as deferred revenue.

Fees for participation in NYISO's governance process are billed to market participants in advance of the year for which they apply and are amortized over the related governance period. All such unamortized amounts are included in deferred revenue.

Income Taxes—NYISO is not subject to income taxes because it is operating as a corporation described in Section 501(c)(3) of the Internal Revenue Code, exempt under Section 501(a) of the Internal Revenue Code. NYISO is also exempt from paying New York State income tax or sales tax.

Fair Value of Financial Instruments—The carrying amount of current assets and liabilities, and long-term debt approximates their fair values. See additional details in Note 7.

Concentration of Credit Risk—Financial instruments that subject NYISO to credit risk consist primarily of accounts receivable billings due from market participants. As provided in the OATT and Services Tariff, NYISO reviews the creditworthiness of market participants, who are required to either maintain certain financial statement criteria and/or approved credit ratings, to post specified financial security in an amount sufficient to cover their outstanding liability to NYISO, or to prepay their obligations in advance of settlement billing dates.

NYISO's tariffs establish specific periods for the adjustment of settlement invoices as originally billed and for challenges to amounts billed for a particular service month. Subsequent invoices issued during the settlement adjustment period "true up" amounts previously billed. After all true-up invoices are issued during the settlement adjustment period, market participants may challenge the amounts billed for a particular service month. If NYISO agrees with the provisions of the challenge, a final invoice is issued for that service month. As a result, NYISO is exposed to credit risk until all settlement adjustment and final invoices for each service month are finalized and liquidated. However, Rate Schedule 1 of the OATT allows NYISO to recover bad debt losses from remaining market participants in future billings.

For original invoices issued prior to October 2002, settlement invoices may be adjusted up to two years after the date of original issuance, and these invoices may be challenged for an additional one year after the issuance of all settlement adjustment invoices. Effective with the October 2002 settlement invoice, these periods were shortened to one year for adjustments and four months for invoice challenges.

Use of Estimates—Accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications—Certain reclassifications of prior period data have been made to conform with the current year presentation.

Derivative Financial Instruments—NYISO records derivative financial instruments in accordance with SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities* ("SFAS No. 133"). SFAS No. 133 requires that all derivative financial instruments be recognized as either assets or liabilities, measured at fair value. The accounting for changes in fair value of derivatives (i.e. gains and losses) depends on the intended use of the derivative and the corresponding designation. The fair values of NYISO's derivative instruments are quoted by external sources. The changes in the fair value of these derivatives qualify as cash flow hedges and are recorded as interest expense. Due to NYISO's regulated rates, the offset to the changes in fair value of these derivatives is recorded as other assets. See additional details in Note 7.

Recently Issued Accounting Pronouncements—Effective January 1, 2004, NYISO adopted SFAS No. 132 (revised), *Employers' Disclosures About Pensions and Other Postretirement Benefits,* ("SFAS 132R") by requiring additional plan disclosures, such as listing plan assets by category, investment strategies and assumptions, estimated future contributions, cash flows, and measurement dates. Nonpublic companies are required to provide such additional disclosures for fiscal years ending after June 15, 2004. The adoption of the revisions to SFAS 132 had no effect on NYISO's statement of position or results of operations.

In January 2004, the Financial Accounting Standards Board ("FASB") issued FASB Staff Position ("FSP") No. 106-1 ("FSP 106-1"), *Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003,* which gives plan sponsors an option to defer recognizing the effects of the Medicare Prescription Drug Act in regard to benefit plan accounting and disclosures until further authoritative guidance was issued on accounting for the federal subsidy provision. In May 2004, the FASB issued FSP 106-2, which supercedes FSP 106-1, to provide guidance on the accounting for plans under SFAS No. 106, *Employers' Accounting for Postretirement Benefits Other Than Pensions,* and disclosures for the federal subsidy under SFAS 132R. The provisions of FSP 106-2 are effective for fiscal periods beginning after June 15, 2004. Therefore, NYISO has not yet determined whether benefits provided by NYISO's postretirement plan are actuarially equivalent to Medicare Part D and the impact, if any, on NYISO's accumulated postretirement benefit obligation and net periodic postretirement cost for the year ended December 31, 2004. NYISO intends to adopt FSP 106-2 during the year beginning January 1, 2005.

2. ACCOUNTS RECEIVABLE

NYISO's accounts receivable at December 31, 2004 and 2003 consisted of the following:

	2004	2003
Billed:		
Past due settlement invoices	**$ 12,669,299**	$ 11,378,143
Miscellaneous billed receivables	**137,575**	152,821
Reserve for doubtful accounts—past due settlement invoices	**(11,410,191)**	(11,377,080)
	$ 1,396,683	$ 153,884
Unbilled:		
Operating expenses for December	**$ 10,779,613**	$ 10,414,258
Replenishments of working capital reserve	**2,831,338**	3,232,339
Miscellaneous unbilled receivables	**80,000**	-
Bad debt loss recoverable from market participants	**42,800**	9,689
	$ 13,733,751	$ 13,656,286
Total	**$ 15,130,434**	$ 13,810,170

Rate Schedule 1 of the OATT allows NYISO to recover bad debt losses from market participants and provides guidance on the provisions of such recoveries. NYISO's reserve for doubtful accounts at December 31, 2004 and 2003 results primarily from past due settlement invoices related to two subsidiaries of Enron Corporation. The bad debt losses were recovered from market participants in accordance with the tariff and any amounts recovered at the conclusion of the Enron bankruptcy proceedings will be refundable to the market participants. As of December 31, 2004 and 2003, NYISO recorded unbilled receivables of $42,800 and $9,689, respectively, to reflect the residual amounts yet to be recovered from remaining market participants in connection with such bad debt losses. Unbilled replenishments of working capital reserve relate to amounts recoverable from market participants via future Rate Schedule 1 charges to recover amounts utilized by NYISO out of the working capital reserve. The unbilled replenishments of working capital are primarily attributable to timing differences on the recovery of certain transmission service agreements, which NYISO expects to recover during 2005.

NYISO recovers its operating expenses via Rate Schedule 1 in the month following the month of service. Therefore, the unbilled operating expenses for December are billed and recovered in January of the subsequent year.

3. REGULATORY TRANSITION ASSET AND REGULATORY ASSETS

NYISO's regulatory transition asset represents costs incurred and paid by the member companies of the NYPP to prepare NYISO for initial operations. In accordance with NYISO's tariffs, such costs were recovered from market participants through Rate Schedule 1 over a five-year period, and were amortized over such same period, beginning in January 2000.

At December 31, 2004 and 2003, the regulatory transition asset was comprised of:

	2004	2003
Computer and software development	**$ 24,363,819**	$ 24,363,819
Administrative and organizational development	**29,356,643**	29,356,643
Power control center building and land	**1,221,982**	1,221,982
	54,942,444	54,942,444
Accumulated amortization	**(54,942,444)**	(43,953,955)
Regulatory transition asset—net	**$ -**	$ 10,988,489

Certain amounts recovered under NYISO's ratemaking mechanisms are based on estimates. The difference between actual results and estimates that result in under-collections are reflected as regulatory assets due from market participants. During 2004, NYISO entered into a settlement agreement with its market participants to resolve a billing issue in NYISO's Transmission Congestion Contracts market. As of December 31, 2004, NYISO's working capital fund has been temporarily depleted by $17,007,859 as a result of this settlement. NYISO will replenish this temporary draw on the working capital reserve via a FERC-approved surcharge assessed to certain future transmission congestion contracts. The timing of the replenishments via this surcharge is dependent upon the amount and timing of activity in the transmission congestion contracts market. These future replenishments are reflected as regulatory assets due from market participants.

At December 31, 2004 and 2003, regulatory assets were comprised of:

	2004	2003
Replenishment of working capital reserve	**$ 17,007,859**	$ -
Voltage (reactive power) market	**672,865**	-
Total	**$ 17,680,724**	$ -
Less: current portion	**(672,865)**	-
Long-term portion	**$ 17,007,859**	$ -

4. PROPERTY AND EQUIPMENT

Property and equipment includes interest of $292,451 and $211,351 capitalized during 2004 and 2003, respectively. As of December 31, property and equipment consisted of the following:

	2004	2003
Computer hardware and software	**$ 61,280,053**	$ 55,554,092
Software developed for internal use	**23,211,744**	20,905,911
Building and leasehold improvements	**6,201,420**	2,966,071
Machinery and equipment	**2,430,011**	1,479,052
Furniture and fixtures	**2,246,494**	2,165,383
Work in progress	**45,002,844**	19,878,914
	140,372,566	102,949,423
Accumulated depreciation and amortization	**(56,397,648)**	(33,355,765)
Property and equipment—net	**$ 83,974,918**	$ 69,593,658

5. SHORT-TERM DEBT

NYISO has a $50 million Revolving Credit Facility that expires on October 26, 2005. The proceeds from this facility are to be used for working capital purposes. Interest on borrowings under this agreement is based on NYISO's option of varying rates of interest tied to either the prime rate or the London Interbank Offer Rate ("LIBOR"). At December 31, 2004 and 2003, respectively, there were no amounts outstanding on the Revolving Credit Facility.

6. LONG-TERM DEBT

On September 8, 2000, NYISO borrowed $48.5 million under a Term Credit Loan to reimburse NYPP member companies for their investment in the transition of the NYPP to the NYISO, and for the purchase of certain NYPP assets. Principal and interest payments were due monthly until December 2004, when the Term Credit Loan was fully repaid. Under this facility, interest was variable based on the 30-day LIBOR plus 125 basis points. However, in January 2001, NYISO entered into an interest rate swap agreement on the Term Credit Loan, which fixed the interest rate on this loan at 6.99%. See additional information in Note 7.

On November 1, 2001, NYISO entered into a $6.5 million line of credit facility to be utilized for the purchase of information technology equipment. This facility was subsequently increased to $10.5 million on November 8, 2002. By December 31, 2002, the entire $10.5 million of this line of credit facility was drawn and converted into Equipment Term Notes with principal and interest payable over three years. Computer hardware and software with a book value of $10.5 million were pledged as collateral for the Equipment Term Notes. In December 2004, the Equipment Term Notes were fully repaid, with $2.4 million representing voluntary prepayments against this debt. All collateral liens for computer hardware and software associated with the Equipment Term Notes were removed in January 2005. Interest on borrowings under this facility was based on NYISO's option of varying rates of interest tied to either LIBOR plus 125 basis points or the prime rate.

On February 13, 2003, NYISO entered into a $59.3 million unsecured line of credit facility ("2003 budget facility"), the proceeds of which could be drawn until February 29, 2004 to fund the 2003 development of significant information technology projects. By December 31, 2003, $47.0 million was borrowed on the 2003 Budget Facility, with principal and interest payments payable over four years, beginning in March 2004. Interest on borrowings under this facility is based on NYISO's option of varying rates of interest tied to either LIBOR plus 137.5 basis points or the prime rate. At December 31, 2004 and 2003, the interest rates on these borrowings ranged from 3.38% to 3.66% and 2.53% to 2.55%, respectively. NYISO entered into an interest rate cap agreement on this debt, effective January 2, 2004, which caps the maximum interest rate at 5.375%. See additional information in Note 7.

On March 17, 2004, NYISO entered into an unsecured $100.0 million line of credit facility ("2004 budget facility"), the proceeds of which may be drawn until December 2006 to fund the development of significant information technology projects during 2004 through 2006. NYISO has the option to convert borrowings under this 2004 Budget Facility up to three times to term loans, with principal repayments made over four years. Interest on borrowings under this facility is due monthly and is based on NYISO's option of varying rates of interest tied to either LIBOR plus 60 basis points (for borrowings during the draw period not yet converted to term loans) or 100 basis points (for borrowings converted to term loans) or the prime rate. By December 31, 2004, $42.0 million was drawn on this facility, which was converted to a term loan in February 2005 with principal and interest payments payable over four years beginning in March 2005. At December 31, 2004, the interest rate on these borrowings was 3.02%. NYISO entered into interest rate cap agreements on $82.0 million of this debt, effective January 1, 2005, which caps the maximum interest rate at 4.60% for borrowings during the draw periods not yet converted to term loans and 5.00% for borrowings converted to term loans. See additional information in Note 7.

At December 31, 2004, the following amounts were outstanding on NYISO's Long-Term Debt:

	2003 Budget Facility Loan	2004 Budget Facility Loan	Total
Outstanding balance	$ 37,208,333	$ 42,000,000	$ 79,208,333
Less: Current portion	(11,750,000)	(10,500,000)	(22,250,000)
Long-term portion	$ 25,458,333	$ 31,500,000	$ 56,958,333

At December 31, 2004, scheduled maturities of NYISO's Long-Term Debt are as follows:

	2003 Budget Facility Loan	2004 Budget Facility Loan	Total
2005	$ 11,750,000	$ 10,500,000	$ 22,250,000
2006	11,750,000	10,500,000	22,250,000
2007	11,750,000	10,500,000	22,250,000
2008	1,958,333	10,500,000	12,458,333
Total	$ 37,208,333	$ 42,000,000	$ 79,208,333

7. DERIVATIVES AND HEDGING ACTIVITIES

In January 2001, NYISO entered into an interest rate swap agreement with a commercial bank to fix interest payments on its Term Credit Loan. The notional amount of the swap on the date of the agreement was $45,157,860. Under the swap agreement, NYISO paid a fixed interest rate of 6.99% on the outstanding principal amount of the Term Credit Loan on payments from February 2001 through December 2004. As of December 31, 2004 and 2003, the fair value of the interest rate swap was $0 and $313,811, respectively. For the years ended December 31, 2004 and 2003, NYISO recorded interest income of $313,811 and $782,577, respectively, related to this derivative instrument. Such amounts are reflected in net interest expense.

In December 2003, NYISO entered into an interest rate cap agreement with a commercial bank to cap interest payments at 5.375% on its 2003 Budget Facility. The notional amount of the debt on the date of the cap agreement was $47,000,000. Under the cap agreement, NYISO pays a variable interest rate tied to LIBOR on the outstanding principal amount of the 2003 Budget Facility from January 2004 through February 2008; however, this variable interest rate cannot exceed 5.375%. As of December 31, 2004 and 2003, the fair value of the interest rate cap was $92,215 and $414,405, respectively. For the year ended December 31, 2004 and 2003, NYISO recorded interest expense of $322,189 and interest income of $56,405, respectively, related to this derivative instrument. Such amounts are reflected in net interest expense.

In March 2004, NYISO entered into interest rate cap agreements with a commercial bank to cap interest payments at 4.60% or 5.00% on its 2004 Budget Facility. The notional amount of the debt on the date of the cap agreements was $82,000,000. Under the cap agreements, NYISO pays a variable interest rate tied to LIBOR on the draws and term loans of the 2004 Budget Facility from March 2005 through December 2010; however, this variable interest rate cannot exceed 4.60% for draws or 5.00% for term loans. As of December 31, 2004, the fair value of the interest rate cap was $878,191. For the year ended December 31, 2004, NYISO recorded interest expense of $421,809 related to this derivative instrument. This amount is reflected in net interest expense.

NYISO is exposed to credit loss in the event of nonperformance by the commercial banks under the interest rate cap agreements. However, NYISO does not anticipate nonperformance by the commercial banks.

8. EMPLOYEE BENEFIT PLANS

Pension and Postretirement Plans—NYISO has a defined benefit qualified pension plan covering substantially all employees. Plan benefits are based on employee compensation levels and years of service, including service for certain employees previously employed by an NYPP member company. Employees become vested in pension benefits after five years of credited service. NYISO expects to contribute $2.0M to the qualified pension plan in 2005.

NYISO also has an unfunded nonqualified pension plan to provide employees with the full level of benefits as stated in the qualified plan without reductions due to various limitations imposed by the provisions of federal income tax laws and regulations.

NYISO sponsors a defined benefit postretirement plan to provide medical and life insurance benefits for eligible retirees and their dependents. Substantially all employees who retire from NYISO become eligible for these benefits provided they have been credited with at least five years of NYISO service. The benefits are contributory based upon years of service, with NYISO paying up to 50% of costs for retired employees and up to 25% for their dependents (subject to specified dollar limits). Medical coverage becomes secondary upon Medicare eligibility and life insurance coverage is reduced upon reaching age 65. The terms of the postretirement plan, as described above, were not finalized until 2003. Prior to 2003, amounts recovered through Rate Schedule 1 for estimated costs before the plan coverage and terms were finalized, were classified as regulatory liabilities rather than as accrued postretirement obligations. As such, the components of the change in postretirement benefit obligation for the year ended December 31, 2003 are not available.

In May 2004, the FASB issued FSP 106-2, which supercedes FSP 106-1, to provide guidance on the accounting for plans under SFAS No. 106, *Employers' Accounting for Postretirement Benefits Other Than Pensions,* and disclosures for the federal subsidy under SFAS 132R. The provisions of FSP 106-2 are effective for fiscal periods beginning after June 15, 2004. Therefore, NYISO has not yet determined whether benefits provided by NYISO's postretirement plan are actuarially equivalent to Medicare Part D and the impact, if any, on NYISO's accumulated postretirement benefit obligation and net periodic postretirement cost for the year ended December 31, 2004. NYISO intends to adopt FSP 106-2 during 2005.

The schedules that follow show the benefit obligations, the plan assets, and the funded status as of December 31, 2004 and 2003, and the change in benefit obligations and the components of net periodic cost for NYISO's pension and postretirement plans for the years ended December 31, 2004 and 2003.

	Pension Plans		Postretirement Plan	
	For the Year Ended December 31,		For the Year Ended December 31,	
	2004	2003	**2004**	2003
Change in benefit obligation:				
Benefit obligation—beginning of year	**$12,650,535**	$ 10,353,083	**$ 2,161,503**	$ -
Service cost	**1,713,846**	1,520,613	**339,957**	-
Interest cost	**789,672**	684,055	**187,114**	-
Actuarial loss	**868,922**	108,272	**1,024,124**	-
Benefits paid	**(146,921)**	(15,488)	**-**	-
Benefit obligation—end of year	**$15,876,054**	$ 12,650,535	**$ 3,712,698**	$ 2,161,503
Change in plan assets:				
Fair value of plan assets—beginning of year	**$ 8,364,088**	$ 5,094,395	**$ -**	$ -
Actual return on plan assets	**998,840**	1,335,622	**-**	-
Employer contributions	**1,971,000**	1,966,515	**-**	-
Benefits paid	**(146,921)**	(15,488)	**-**	-
Expenses paid	**(51,506)**	(16,956)	**-**	-
Fair value of plan assets—end of year	**$11,135,501**	$ 8,364,088	**$ -**	$ -
Funded status	**$ (4,740,553)**	$ (4,286,447)	**$ (3,712,698)**	$ (2,161,503)
Unrecognized prior service cost	**2,255,437**	2,550,763	**-**	-
Unrecognized loss	**2,911,568**	2,374,785	**988,115**	-
Additional minimum pension cost	**(957,127)**	(1,301,347)	**-**	-
Total accrued liability	**$ (530,675)**	$ (662,246)	**$ (2,724,583)**	$ (2,161,503)

Amounts recognized in the Statement of Financial Position consist of:

	Pension Plans		Postretirement Plan	
	2004	2003	**2004**	2003
Benefit obligation	**$ (530,675)**	$ (662,246)	**$ (2,724,583)**	$ (2,161,503)
Intangible asset	**913,555**	1,270,841	**-**	-
The components of net periodic pension and postretirement cost are as follows:				
Service cost	**$ 1,713,846**	$ 1,520,613	**$ 339,957**	$ -
Interest cost	**789,671**	684,055	**187,114**	-
Expected return on plan assets	**(721,306)**	(522,418)	**-**	-
Recognized net actuarial (gain)/loss	**-**	-	**36,009**	(543,312)
Amortization of unrecognized prior service cost	**295,326**	295,326	**-**	-
Amortization of unrecognized loss	**106,111**	129,717	**-**	-
Total	**$ 2,183,648**	$ 2,107,293	**$ 563,080**	$ (543,312)

NYISO uses a December 31 measurement date for its pension and postretirement benefit plans. NYISO's accumulated benefit obligation for the defined benefit pension plans is $11,666,176 and $9,026,334 at December 31, 2004 and 2003, respectively.

The following table shows the assumptions used to calculate the pension and postretirement benefit obligations and net periodic costs as of December 31, 2004 and 2003:

	Pension Plans		Postretirement Plan	
	2004	2003	**2004**	2003
Benefit obligations:				
Discount rate	**6.00 %**	6.25 %	**6.00 %**	6.25 %
Rate of compensation increases	**5.06**	5.06	**5.06**	5.06
Net cost or credit:				
Discount rate	**6.25 %**	6.50 %	**6.25 %**	n/a
Rate of compensation increases	**5.56**	5.56	**5.56**	n/a
Expected return on plan assets	**8.00**	8.00	**n/a**	n/a

NYISO's expected rate of return on plan assets reflects anticipated returns on the qualified pension plan's current and future assets. To determine this rate, NYISO considers historical returns for equity and debt securities as well as current capital market conditions and projected future conditions. Given the current low interest rate environment, NYISO selected an assumed rate of 8.00%, which is lower than the rate otherwise determined solely on historical returns.

The targeted allocation and actual investment mix of the qualified pension plan's assets are as follows:

		December 31,	
	Target Allocation	**2004**	2003
Equity securities	60 %	**61 %**	63 %
Debt securities	40 %	**39 %**	37 %
Total	100 %	**100 %**	100 %

Pursuant to resolutions adopted by NYISO's Board of Directors, NYISO's Retirement Board has been granted the authority to control and manage the operation and administration of NYISO's qualified pension plan, including responsibility for the investment of plan assets and the ability to appoint investment managers. The Retirement Board currently consists of NYISO's Chief Financial Officer, Vice President of Human Resources, General Counsel and Controller. The Retirement Board provides reports to the Finance Committee of the Board of Directors on at least an annual basis.

The long-term investment objective for NYISO's qualified pension plan assets is to maximize the total return on plan assets while limiting risk, reflected in volatility of returns, to prudent levels. To that end, NYISO's Retirement Board has appointed and regularly meets with an investment advisor to review asset performance, compliance with target asset allocation guidelines, and appropriate levels of asset diversification. NYISO's investment advisor operates under written guidelines provided by NYISO, which cover such areas as investment objectives, performance measurement, permissible investments, investment restrictions, and communication and reporting requirements.

The assumed health care cost trend rates for the postretirement plan are 10% for 2004 decreasing to 4.5% in 2010 and 11% for 2003, decreasing to 4.5% in 2010. A one percentage point change in the assumed health care cost trend rate would change the 2004 postretirement benefit obligation as follows:

	1% increase	1% decrease
Effect on postretirement benefit obligation	$235,800	($223,500)
Effect on total of service and interest cost components	36,100	(34,100)

The following benefit payments, which reflect expected future service, are expected to be paid:

	Pension Plans	Postretirement Plan
2005	$ 364,057	$ 13,091
2006	698,817	41,909
2007	599,519	73,964
2008	813,023	111,220
2009	1,083,702	155,129
2010-2014	9,516,152	1,577,786

401(k) Plan—NYISO has a 401(k) Retirement and Savings Plan open to all non-temporary employees. This plan provides for employee contributions up to specified limits. NYISO matches 100% of the first 3% of employee contributions, and 50% of the next 2% of employee contributions. Employees are immediately vested in NYISO's matching contributions, which were $1,104,230 and $975,066 for 2004 and 2003, respectively.

Long Term Incentive Plan—NYISO's Long Term Incentive Plan provides certain members of senior management with deferred compensation benefits. Benefits are based upon the achievement of three-year performance goals established by the Board of Directors, with participants becoming fully vested in these deferred amounts after the completion of the third year. For the first three performance cycles (2000-2002, 2001-2003 and 2002-2004), annual distributions are payable in the year following completion of the cycle. In 2005, there will be a one-year performance cycle, payable in 2006. After 2005, distributions will be payable after the completion of each three-year cycle. Accrued Long Term Incentive Plan benefits included in Other Noncurrent Liabilities at December 31, 2004 and 2003, respectively, were $818,980 and $392,910. The short-term portion of such liability at December 31, 2004 and 2003, respectively, were $545,709 and $565,315.

Trust Share Option Agreement—NYISO has entered into a nonqualified share option agreement with a key officer whereby NYISO has granted to such officer the right to acquire debt and equity securities held by NYISO in a trust for an amount equal to 25% of the fair value of such securities. The options are immediately vested and are subject to certain restrictions of transferability. At December 31, 2004 and 2003, respectively, the fair market value of securities held by the trust was $807,936 and $743,065. Options outstanding at December 31, 2004 expire from November 16, 2009 through February 19, 2012. NYISO records compensation expense for 75% of the fair value of the options granted at the date of grant. A corresponding liability is established until such time as the options are exercised. No options have been exercised as of December 31, 2004.

9. LEASE COMMITMENTS

Operating Leases—NYISO has obligations under three operating lease agreements primarily for rental of office space. One lease agreement for property in Altamont, NY, expires in February 2006. Another lease agreement for property in Albany, NY, expires in January 2006. NYISO has the option to renew both leases for two additional five-year periods at the current lease rate. The third lease was entered into in February 2003 for facilities in Albany, NY, and is cancelable after April 2006. Rent expense related to these leases amounted to $1,020,990 and $925,392 in 2004 and 2003, respectively. The future minimum lease payments under these operating leases at December 31, 2004 are as follows:

2005	$ 1,020,990
2006	302,582
Total	$ 1,323,572

10. WORKING CAPITAL RESERVE

At December 31, 2004 and 2003, the working capital reserve consisted of:

	2004	2003
Market participant contributions through Rate Schedule 1	**$ 46,440,345**	$ 46,451,950
Interest on market participant contributions	**468,530**	2,333,945
Total	**$ 46,908,875**	$ 48,785,895

Market participants are entitled to interest on their principal contributions to the working capital reserve. Each market participant is allocated interest based on its respective ratio share of each market participant's principal contributions to the total working capital fund. Interest accumulated on the working capital fund through April 2004 was distributed to market participants in 2004.

11. DEFERRED REVENUE

Deferred revenue at December 31, 2004 and 2003 consisted of the following:

	2004	2003
Prepayments received in advance of settlement dates and amounts retained pursuant to setoff agreements	**$ 19,208,444**	$ 15,962,630
Amounts collected for self-insurance reserve	**1,210,000**	710,000
Governance participation fees	**368,000**	347,300
Total	**$ 20,786,444**	$ 17,019,930

12. REGULATORY LIABILITIES

Certain amounts recovered under NYISO's ratemaking mechanisms are based on estimates. The difference between actual results and estimates that result in over collections are reflected as regulatory liabilities due to market participants. Additionally, under NYISO's ratemaking structure, principal payments on long-term debt are recovered to fund the cost of acquiring certain property and equipment. Differences resulting between the timing of recoveries of such principal payments and the depreciation expense associated with such property and equipment also result in over collections reflected as regulatory liabilities to market participants.

At December 31, 2004 and 2003, respectively, NYISO recorded the following amounts as regulatory liabilities:

	2004	2003
Timing differences on certain ratemaking recoveries	**$ 4,766,585**	$ 16,760,325
Funding for deferred charges	**2,791,308**	2,730,107
Rate Schedule 1 load overcollections	**2,043,108**	913,340
Rate Schedule 1 underspending	**14,474**	1,362,376
Voltage (reactive power) market	**-**	1,013,781
Total	**9,615,475**	22,779,929
Less: current portion	**(2,057,582)**	(3,289,497)
Long-term portion	**$ 7,557,893**	$ 19,490,432

13. COMMITMENTS AND CONTINGENCIES

NYISO is routinely involved in regulatory actions. In the opinion of management, none of these matters will have a material adverse effect on the financial position, result of operations or liquidity of NYISO. The most significant legal proceeding affecting NYISO is a civil suit, filed by New York State Electric and Gas, seeking recovery of $6.6 million in compensatory damages and unspecified punitive damages, associated with alleged excessive payments for reserves of electricity during the period January to March 2000.

14. SUBSEQUENT EVENT

In February 2005, NYISO entered into an agreement to purchase a 140,000 square foot office building to relocate NYISO's alternate control center and to consolidate employees currently located in leased facilities. The terms of this agreement also include a provision for NYISO to lease certain office space in this building to the current owner for approximately one year. NYISO expects to close on the purchase of this building in July 2005, contingent upon obtaining municipal and financing approvals.

On February 15, 2005, NYISO also entered into two interest rate swap agreements with a commercial bank to fix interest rate payments on the financing of this building purchase. The notional amount of debt on one swap agreement was $14,708,750, and NYISO will pay a fixed interest rate of 5.79% on the outstanding principal amount of this financing on payments from August 2005 through August 2025. The notional amount of debt on the other swap agreement was $10,000,000, and NYISO will pay a fixed interest rate of 5.96% on payments from January 2007 through January 2027.

15. MARKET ACTIVITY (UNAUDITED)

The following amounts represent the transactional volume of energy and energy-related products in NYISO's markets during the years ended December 31, 2004 and 2003 (in $ billions). The increase in energy transactions from 2003 to 2004 is driven primarily by price rather than volume considerations.

	2004	2003
Energy	**$ 6.3**	$ 6.1
Installed capacity	**0.8**	0.7
Transmission congestion contracts	**0.2**	0.2
Total	**$ 7.3**	$ 7.0

Management Certification

I certify that:

1. I have reviewed this report of the NYISO for the year ended December 31, 2004;

2. Based on my knowledge, this report does not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the NYISO as of, and for, the periods presented in this report;

4. I am responsible for establishing and maintaining disclosure controls and procedures and internal control over financial reporting for the NYISO and have:
   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the NYISO is made known to us by others within the NYISO, particularly during the period in which this report is being prepared;
   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c. Evaluated the effectiveness of the NYISO's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d. Disclosed in this report any change in the NYISO's internal control over financial reporting that occurred during the NYISO's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the NYISO's internal control over financial reporting; and

5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the NYISO's auditors and the audit committee of NYISO's board of directors (or persons performing the equivalent functions):
   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the NYISO's ability to record, process, summarize and report financial information; and
   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the NYISO's internal control over financial reporting.

Date: March 31, 2005

William J. Museler
President and CEO
(through February 28, 2005)

Report of Management on Internal Control over Financial Reporting

Management of NYISO is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles; that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management evaluated NYISO's internal control over financial reporting as of December 31, 2004. In making this assessment, management used the framework established in *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). As a result of this assessment and based on the criteria in the COSO framework, management has concluded that, as of December 31, 2004, NYISO's internal control over financial reporting was effective.

Date: March 31, 2005

William J. Museler
President and CEO
(through February 28, 2005)

Market Participants

3M Tonawanda
Accent Energy Midwest LLC
ACN Power, Inc.
Advantage Energy Hedging LLC
Advantage Energy, Inc.
AES Creative Resources, L.P.
AES Eastern Energy LP
Agway Energy Services, Inc.
AIG Energy Inc.
Aleph One, Inc.
Allegheny Energy Supply Company, LLC
Allegheny Power
Allied Utility Network
Amerada Hess Corporation
American Electric Power Service Corp.
American Ref-Fuel Company of Niagara, LP
Amherst Utility Cooperative (AUC)
Aquila Energy Marketing Corp.
Athens Generating Company, L.P.
Automated Energy, Inc.
Axon Energy, LLC
Bank of America, N.A.
Barclays Bank PLC
Black Oak Energy LLC
Boralex Chateaugay, Inc.
Boralex Operations, Inc
BP Energy Company
Brascan Energy Marketing Inc
Brascan Power St-Lawrence River LLC
Calpine Energy Services LP
CAM Energy Products LP
Canastota Windpower LLC
Cargill Power Markets, LLC
Carr Street Generating Station LP
Central Hudson Enterprises Corp.
Central Hudson Gas & Electric Corp.
Cinergy Capital & Trading, Inc.
Cinergy Services, Inc.
Citadel Energy Products LLC
Con Edison Solutions, Inc.
Conectiv Energy Supply, Inc.
Consolidated Edison Co. of New York, Inc.
Consolidated Edison Energy, Inc.
Constellation Energy Commodities Group, Inc.
Constellation NewEnergy, Inc.
Consumerpowerline.org
Coral Canada US Inc
Coral Power, LLC
Core Equities, Inc.
County of Erie NY
County of Niagara NY
Credit Suisse First Boston, LLC
Crucible Specialty Metals
Cummins Inc
David Sholk, LLC
DC Energy LLC
DE Shaw Plasma Power LLC
Delphi Automotive Systems LLC
Direct Commodities Trading Inc.
Direct Energy Marketing Inc
Dominion Energy Marketing, Inc.
DTE Energy Trading Inc
Duke Energy Trading and Marketing, L.L.C.
Dynegy Energy Services, Inc.
Dynegy Power Marketing, Inc.
East Coast Power, LLC
eBidenergy, Inc.
ECONnergy Energy Company, Inc.
ECS Power Corp
Edison Mission Marketing & Trading, Inc.
El Paso Merchant Energy, L.P.
Electrotek Concepts Inc
Emera Energy Services, Inc
Empire Natural Gas Corp.
Energetix, Inc.
Energy Aggregation Services LLC
Energy Analytics, Inc.
Energy Conservation and Supply, Inc.
Energy Cooperative of New York (ECNY)
Energy Curtailment Specialists, LLC
Energy Enterprises Inc.
Energy Investment Systems, Inc
Energy New England, LLC
Energy Procurement Service Alliance, LLC
Energy Services Provider, Inc.
Energy Solutions Group LLC
Energy Solutions USA, Inc
Energy Spectrum Inc.
Energy Systems North East LLC
EnerNOC, Inc.
Engage Energy America LLC
Engage Networks, Inc.
Enron Power Marketing
ENTEGRA Capital Management LP
Entergy Nuclear Fitzpatrick, LLC
Entergy Nuclear IP-2 LLC
Entergy Nuclear IP3, LLC
Entergy-Koch Trading, LP
EPCOR Merchant and Capital (US) Inc.
EPIC Merchant Energy L.P.
Erie Boulevard Hydropower LP
Exelon Generation Company LLC
Finger Lake Utilities
FirstEnergy Solutions Corp.
Florida Power & Light
Fortis Ontario Inc
FortisUS Energy Corporation
FPL Energy Power Marketing, Inc.
Freeport Electric
Fulton Cogeneration Associates, L.P.
General Electric Plastics
Glens Falls Lehigh Cement Company
Hess Energy Power & Gas Company, LLC
Horizon Power, Inc.
HQ Energy Services (US)
HSBC Bank USA
Hudson Energy Services, LLC
IDT Energy, Inc
Indeck Energy Svs of Silver Springs
Indeck-Corinth LP
Indeck-Ilion LP
Indeck-Olean LP
Indeck-Oswego LP
Indeck-Yerkes LP
Innovative Energy Systems, Inc.
International Paper Company
J Aron and Company
Jamestown Board of Public Utilities
Kaleida Health
KeySpan – Ravenswood, Inc.
KeySpan Energy Services, Inc.
Lafarge Building Materials Inc.
Liberty Power Corp.
Lockport Energy Assoc.
Long Island Power Authority
Lyonsdale Biomass, LLC
Madison Windpower, LLC
Merrill Lynch Capital Services, Inc.
Merrill Lynch Commodities, Inc.
MetroGen Enterprises LLC
MG Industries
Mirabito Gas & Electric Inc.
Mirant Americas Energy Marketing LP
Model City Energy LLC
Monroe County NY
Morgan Stanley Capital Group, Inc.
National Fuel Resources, Inc.
New York Municipal Power Agency
New York Power Authority
New York State Electric & Gas Corp.
Niagara Mohawk Power Corp.
Niagara University
Nine Mile Point Nuclear Station, LLC
Nissequogue Cogen Partners
Norbord Industries, Inc.
North American Energy, Inc.
North East Sources, LLC
Northbrook New York LLC
Northeast Expense Reduction Services, Inc.
Northeast Utilities Service Co.
Northern States Power Company
NRG Power Marketing Inc.
NYSEG Solutions, Inc.
Occidental Chemical Corp.
Occidental Power Services Inc
Onondaga Cogeneration, LP.
Ontario Power Generation, Inc.
Orange & Rockland Utilities, Inc.
Orion Power Holdings, Inc. – ASTORIA
Pepco Energy Services
PG&E Energy Trading
Powerex Corporation
PP&L EnergyPlus Co. (EPLUS)
Praxair Inc
Preferred Utilities Energy Services Corp
Primary Power Marketing L.L.C.
Pro Energy Marketing LLC
Pro-Energy Development LLC
Project Orange Associates, L.P.
PSEG Energy Resource & Trade, LLC
Public Service Company of Colorado
Public Service Electric & Gas Co.
Pure Energy Inc
Pythagaros Global Investors, LP
Quark Power LLC
R.E. Ginna Nuclear Power Plant, LLC
Rainbow Energy Marketing Corp
RAM Energy Products LLC
Reliant Energy Services, Inc.
Robison Energy, LLC
Rochester Gas & Electric Corp.
RS Environmental Solutions, Inc.
RWE Trading Americas Inc.
Schools & Municipal Energy Cooperative (SMEC)
Select Energy New York, Inc.
Select Energy, Inc.
Selkirk Cogen Partners, L.P.
Sempra Energy Solutions
Sempra Energy Trading Corp.
Seneca Energy II, LLC
Service Resources, Inc.
SESCO Enterprises LLC
Site-Controls, Inc
Sithe Energy Marketing, L.P.
Sithe Independence Power Partners L.P.
Sithe Power Marketing, L.P.
SourceOne
Special Metals Corporation
Split Rock Energy LLC
SR Energy LLC
State of New York
State University of New York
State University of New York at Buffalo
State University of New York at Potsdam
Statoil Energy Trading, Inc.
Stealth Energy Company, LLC
Strategic Energy, LLC
Strategic Power Management, Inc.
Styrka Energy Fund, LLC
Susquehanna Energy Products, LLC
Tarachand Consulting
The Legacy Energy Group, LLC
The May Department Stores Company
Tonawanda Coke Corporation
Tops Markets, Inc.
Total Gas & Electric, Inc.
Tractebel Energy Marketing, Inc.
Tractebel Energy Services, Inc.
TransAlta Energy Marketing (U.S.) Inc.
TransCanada Power Marketing, Ltd.
Trigen-Syracuse Energy Corp.
TXU Energy Services
U.S. Energy Partners II, LLC
U.S. Energy Partners LLC
UBS AG, London Branch
UGI Energy Services, Inc
UniGrid Energy LLC
University of Rochester
Usource, L.L.C.
Village of Rockville Centre
Virginia Electric and Power Company
Wakefern Food Corporation
WebGen Systems Inc.
Wegmans Food Markets, Inc.
Western New York Wind Corp.
Wheelabrator Westchester, L.P.
Williams Power Company Inc
WPS Energy Services, Inc.

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