

NYISO President's Report

*Management Committee Meeting
January 7, 2004*

Agenda #3

Report Items

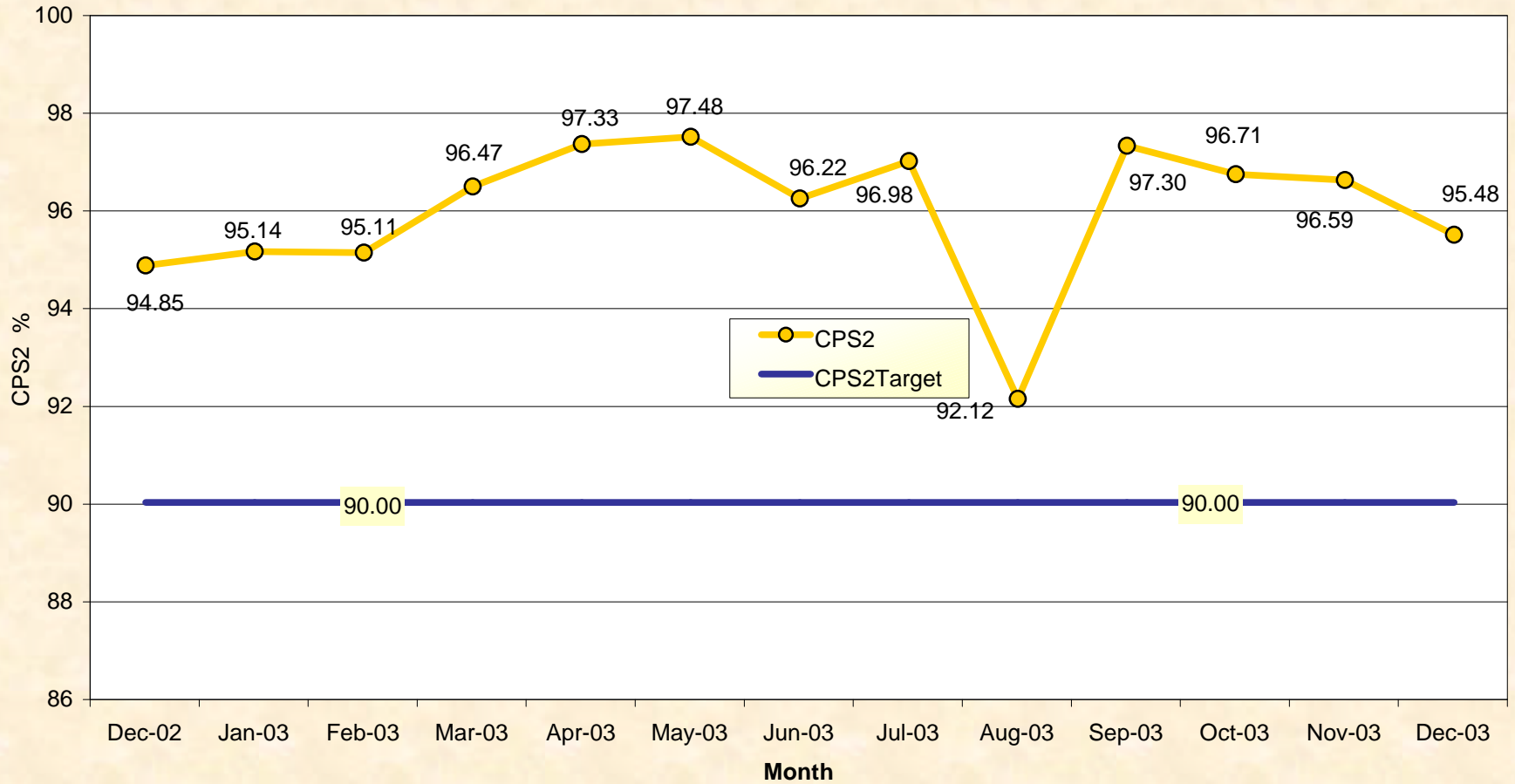
- 1) Market Performance Highlights
- 2) Blackout Report Status
- 3) FERC Interconnection Order NYISO Compliance Filing Status
- 4) Schedule for New NYISO Facility

Market Performance Highlights for December, 2003

- DAM prices consistently higher than real-time in all zones (including NYC) for second consecutive month
- Energy prices rose slightly in December, tracking natural gas trends
- Natural gas prices rose overall in December, though the most recent weekly trend is downward
- Price reservations continue to drop, achieving a 3.63% level for December
- The price reservation level was 11.74% for the year

NERC Control Performance Standard

NYISO Compliance
Year 2002/2003



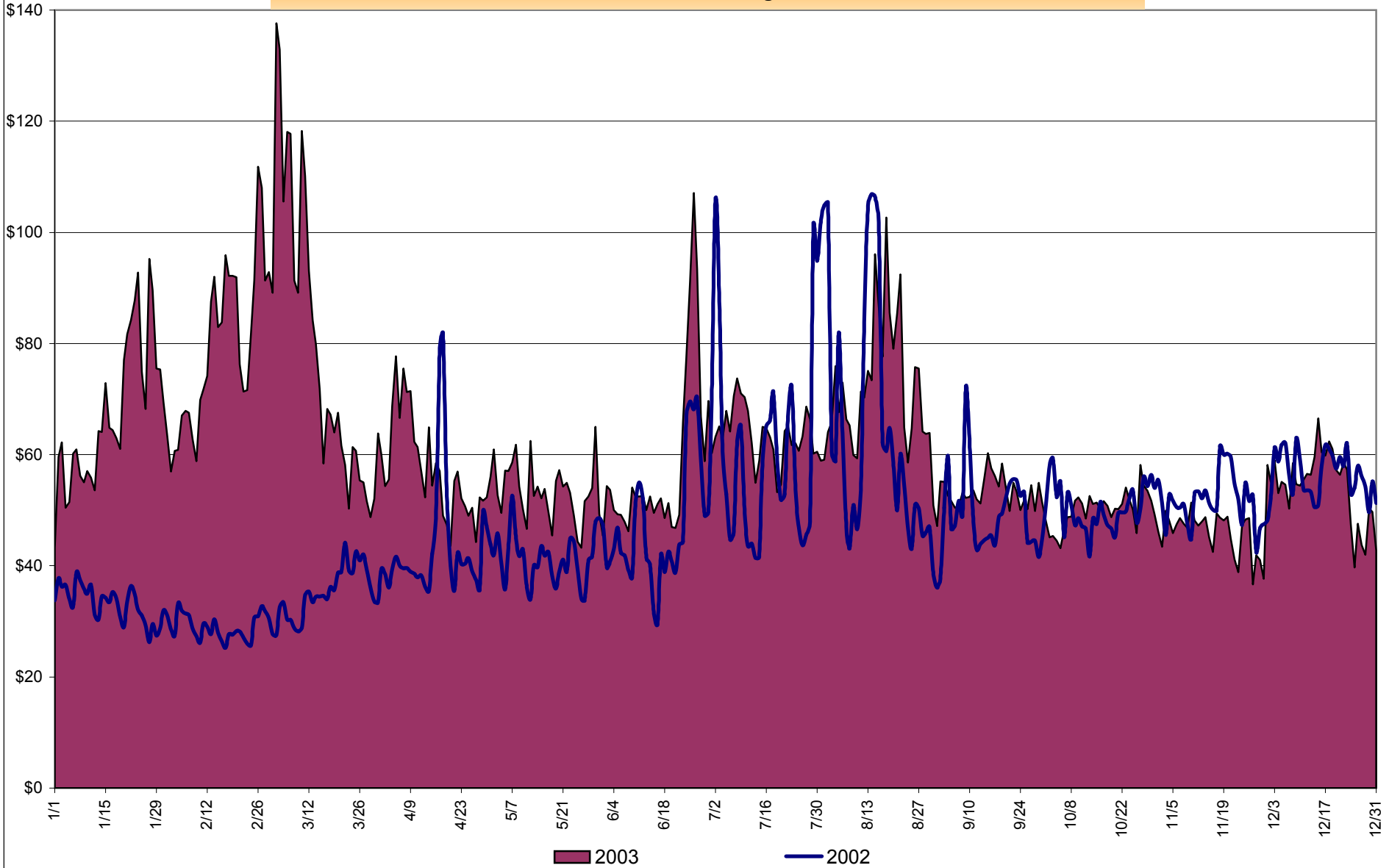
CPS2 for December = 95.48% Compliance Threshold = 90%
CPS2 measures excessive unscheduled power flow resulting from large Area Control Error (ACE)

Average Daily NYISO - Administered Total Price (Energy & Ancillary Services)

2002 Annual Average \$49.77/MWH

December 2002 YTD Average \$49.77/MWH

December 2003 YTD Average \$62.35/MWH



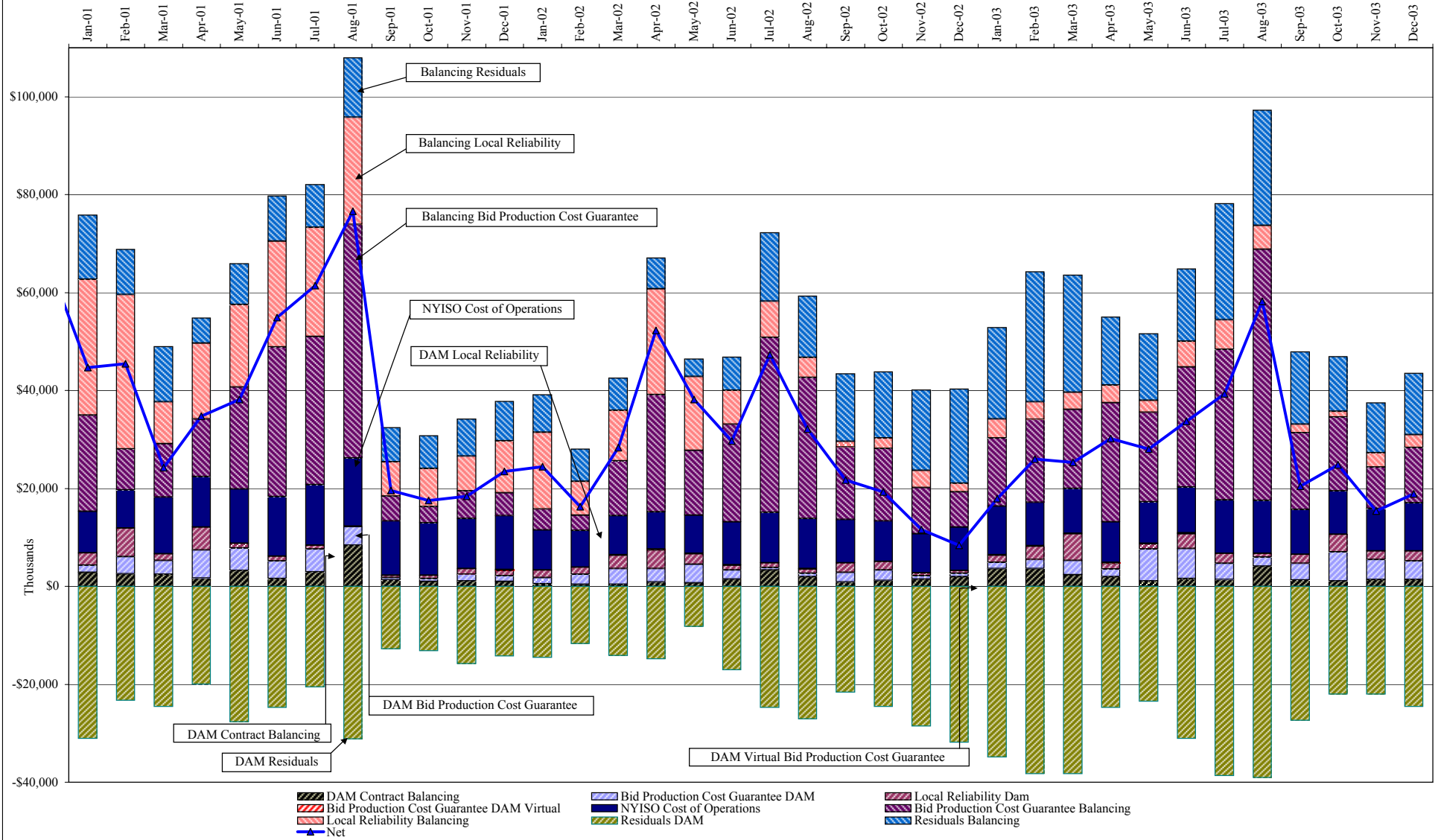
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NYISO Administered Total Price (Energy and Ancillary Services)

from the LBMP Customer point of view

2003	January	February	March	April	May	June	July	August	September	October	November	December
LBMP	66.33	76.65	78.37	54.27	49.76	57.37	60.11	68.14	50.83	47.02	43.39	52.39
NTAC	0.41	0.35	0.66	0.45	0.44	0.39	0.53	0.36	0.24	0.29	0.51	0.36
Reserve	0.46	0.35	0.45	0.39	0.47	0.24	0.15	0.22	0.13	0.10	0.18	0.16
Regulation	0.26	0.27	0.38	0.31	0.65	0.31	0.19	0.18	0.32	0.49	0.43	0.24
NYISO Cost of Operations	0.68	0.68	0.68	0.68	0.68	0.68	0.69	0.69	0.68	0.69	0.68	0.69
Uplift	0.31	1.08	1.01	1.68	1.48	1.67	1.76	2.69	0.76	1.16	0.42	0.54
Voltage Support and Black Start	0.33	0.33	0.33	0.33	0.34	0.33	0.34	0.34	0.33	0.34	0.34	0.33
Avg Monthly Price	68.79	79.71	81.88	58.13	53.82	61.00	63.77	72.61	53.30	50.08	45.95	54.72
Avg YTD Price	68.79	74.00	76.58	72.19	68.80	67.41	66.75	67.67	66.14	64.64	63.08	62.35
2002	January	February	March	April	May	June	July	August	September	October	November	December
LBMP	30.32	26.58	32.02	39.03	37.48	45.59	60.80	65.60	46.88	48.13	50.10	54.76
NTAC	0.53	0.48	0.45	0.43	0.47	0.61	1.04	0.52	0.49	0.63	0.39	0.35
Reserve	0.19	0.19	0.24	0.29	0.21	0.19	0.30	0.33	0.22	0.22	0.31	0.41
Regulation	0.19	0.19	0.17	0.16	0.26	0.24	0.18	0.20	0.27	0.26	0.25	0.25
NYISO Cost of Operations	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.62	0.63
Uplift	1.19	0.67	1.36	3.70	2.34	1.35	2.28	1.32	0.86	0.79	0.22	(0.14)
Voltage Support and Black Start	0.34	0.33	0.33	0.34	0.34	0.33	0.33	0.33	0.33	0.33	0.33	0.33
Avg Monthly Price	33.39	29.08	35.21	44.58	41.72	48.94	65.56	68.94	49.68	50.99	52.24	56.60
Avg YTD Price	33.39	31.37	32.69	35.71	36.83	39.06	44.35	48.39	48.54	48.78	49.10	49.77
2001	January	February	March	April	May	June	July	August	September	October	November	December
LBMP	61.52	44.29	49.98	48.60	52.84	50.31	46.58	71.97	35.33	31.05	31.53	29.23
NTAC	0.39	0.21	0.59	0.35	0.51	0.41	0.30	0.35	0.38	0.39	0.40	0.61
Reserve	0.47	0.29	0.42	0.43	0.59	0.44	0.55	1.40	0.43	0.25	0.27	0.25
Regulation	0.07	0.07	0.10	0.10	0.13	0.08	0.08	0.06	0.14	0.18	0.15	0.18
NYISO Cost of Operations	0.65	0.59	0.89	0.89	0.88	0.88	0.88	0.88	0.88	0.83	0.88	0.88
Uplift	2.62	2.85	0.88	2.04	2.98	3.12	3.71	4.27	0.67	0.54	0.52	0.94
Voltage Support and Black Start	0.34	0.34	0.34	0.34	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33
Avg Monthly Price	66.05	48.64	53.20	52.75	58.27	55.58	52.44	79.28	38.17	33.57	34.10	32.44
Avg YTD Price	66.05	58.08	56.55	55.72	56.21	56.09	55.41	59.68	57.12	54.63	52.99	51.42
2000	January	February	March	April	May	June	July	August	September	October	November	December
LBMP	46.01	41.33	32.62	32.05	50.39	79.35	51.46	63.48	54.29	53.84	52.16	62.85
NTAC	0.47	0.20	0.25	0.65	0.60	0.46	0.39	0.42	0.22	0.32	0.30	0.20
Reserve	1.44	5.64	2.68	0.27	0.68	0.66	0.31	0.49	0.64	0.44	0.33	0.37
Regulation	0.19	0.35	0.42	0.33	0.14	0.01	0.10	0.04	0.07	0.09	0.08	0.07
NYISO Cost of Operations	1.14	(0.46)	(0.61)	0.47	0.76	0.89	0.88	1.81	1.89	0.43	0.48	0.49
Uplift	0.16	0.05	(0.29)	0.27	3.37	3.31	1.13	3.80	2.85	0.96	0.38	3.70
Voltage Support and Black Start	0.38	0.37	0.37	0.37	0.38	0.38	0.38	0.37	0.39	0.40	0.40	0.40
Avg Monthly Price	49.78	47.49	35.45	34.40	56.33	85.06	54.64	70.43	60.36	56.48	54.13	68.07
Avg YTD Price	49.78	48.70	44.05	41.62	45.14	53.74	53.91	56.57	57.09	57.02	56.75	57.90

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. The value for April 2003 is \$135,233.

DAM residuals are revenue charged or returned to customers due to the under or over collection of funds. On this chart, negative values represent funds returned to Transmission Customers (through Transmission Owners' Transmission Service Charges).

NYISO Markets Transactions

Transactions by Market 2003	January	February	March	April	May	June	July	August	September	October	November	December
Day Ahead Market MWH	14,187,752	12,695,868	13,126,563	11,997,655	12,029,453	13,341,831	15,444,857	15,759,082	13,003,309	12,507,780	12,332,456	13,973,266
DAM LSE Internal LBMP Energy Sales	46%	48%	46%	49%	46%	48%	55%	57%	49%	48%	47%	48%
DAM External TC LBMP Energy Sales	1%	1%	1%	1%	2%	2%	1%	0%	1%	2%	2%	2%
DAM Bilateral - Internal Bilaterals	50%	49%	50%	46%	49%	46%	43%	40%	48%	47%	48%	46%
DAM Bilateral - Import/Non-LBMP Market Bilaterals	1%	1%	1%	1%	0%	0%	0%	0%	0%	0%	0%	0%
DAM Bilateral - Export/Non-LBMP Market Bilaterals	1%	1%	2%	1%	1%	1%	1%	1%	1%	1%	1%	1%
DAM Bilateral - Wheel Through Bilaterals	1%	1%	1%	2%	2%	2%	1%	1%	1%	1%	1%	2%
Balancing Energy Market MWH	347,539	285,381	376,222	235,800	278,939	291,519	208,142	-55,913	394,363	338,562	319,065	392,215
Balancing Energy LSE Internal LBMP Energy Sales	58%	35%	52%	72%	48%	39%	53%	-146%	65%	53%	26%	44%
Balancing Energy External TC LBMP Energy Sales	58%	80%	95%	73%	69%	78%	79%	242%	44%	61%	77%	67%
Balancing Energy Bilateral - Internal Bilaterals	-6%	-10%	-2%	0%	-5%	5%	-2%	-75%	1%	3%	0%	-2%
Balancing Energy Bilateral - Import/Non-LBMP Market Bilaterals	4%	1%	1%	1%	1%	0%	0%	2%	0%	0%	0%	0%
Balancing Energy Bilateral - Export/Non-LBMP Market Bilaterals	0%	0%	-38%	0%	0%	0%	0%	-14%	0%	0%	0%	0%
Balancing Energy Bilateral - Wheel Through Bilaterals	-14%	-7%	-8%	-46%	-14%	-23%	-31%	-109%	-10%	-16%	-3%	-9%
Transactions Summary 2003												
LBMP	49%	50%	49%	52%	49%	52%	56%	58%	51%	52%	51%	52%
Internal Bilaterals	48%	47%	48%	45%	48%	46%	42%	40%	46%	46%	47%	45%
Import Bilaterals	1%	1%	1%	1%	0%	0%	0%	0%	0%	0%	0%	0%
Export Bilaterals	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Wheels Through	1%	1%	1%	1%	1%	1%	1%	1%	0%	1%	1%	2%
Market Share of Total Load 2003												
Day Ahead Market	97.6%	97.8%	97.2%	98.1%	97.7%	97.9%	98.7%	100.4%	97.1%	97.4%	97.5%	97.3%
Balancing Energy +	2.4%	2.2%	2.8%	1.9%	2.3%	2.1%	1.3%	-0.4%*	2.9%	2.6%	2.5%	2.7%
Total MWH	14,535,291	12,981,249	13,502,785	12,233,455	12,308,392	13,633,350	15,652,999	15,703,169	13,397,672	12,846,342	12,651,521	14,365,481
Average Daily Energy Sendout/Month GWh	458	450	418	393	382	432	497	498	433	397	402	435
Transactions by Market 2002												
Day Ahead Market MWH	13,580,547	12,016,720	12,760,385	11,863,525	12,561,505	14,043,673	16,297,012	16,165,944	13,922,494	12,859,329	12,470,189	13,580,220
DAM LSE Internal LBMP Energy Sales	44%	42%	43%	45%	40%	43%	50%	51%	46%	46%	49%	47%
DAM External TC LBMP Energy Sales	0%	1%	1%	1%	1%	2%	3%	1%	2%	1%	1%	2%
DAM Bilateral - Internal Bilaterals	51%	52%	51%	49%	55%	51%	45%	45%	49%	50%	46%	49%
DAM Bilateral - Import/Non-LBMP Market Bilaterals	1%	1%	1%	0%	0%	0%	0%	0%	0%	0%	0%	1%
DAM Bilateral - Export/Non-LBMP Market Bilaterals	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
DAM Bilateral - Wheel Through Bilaterals	3%	3%	3%	3%	2%	2%	1%	2%	2%	1%	1%	1%
Balancing Energy Market MWH	-214,495	-30,504	32,311	224,671	-98,746	-69,632	88,020	79,918	112,928	350,988	339,372	514,175
Balancing Energy LSE Internal LBMP Energy Sales	-17%	410%	821%	182%	-10%	148%	311%	18%	-77%	61%	52%	59%
Balancing Energy External TC LBMP Energy Sales	5%	39%	-36%	-15%	44%	-95%	-165%	89%	189%	37%	44%	30%
Balancing Energy Bilateral - Internal Bilaterals	1%	-51%	8%	12%	10%	14%	-19%	27%	17%	-2%	3%	3%
Balancing Energy Bilateral - Import/Non-LBMP Market Bilaterals	13%	27%	24%	3%	8%	15%	24%	19%	14%	8%	9%	9%
Balancing Energy Bilateral - Export/Non-LBMP Market Bilaterals	0%	0%	0%	0%	1%	2%	0%	1%	0%	0%	0%	0%
Balancing Energy Bilateral - Wheel Through Bilaterals	-103%	-524%	-717%	-84%	-154%	-183%	-52%	-55%	-42%	-4%	-8%	-2%
Transactions Summary 2002												
LBMP	45%	44%	46%	48%	42%	46%	53%	52%	49%	49%	52%	50%
Internal Bilaterals	52%	52%	51%	49%	55%	51%	45%	45%	48%	48%	45%	47%
Import Bilaterals	1%	1%	1%	0%	0%	0%	0%	0%	0%	1%	1%	1%
Export Bilaterals	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Wheels Through	1%	2%	1%	1%	1%	2%	1%	1%	1%	1%	1%	1%
Market Share of Total Load 2002												
Day Ahead Market	101.6%	100.3%	99.7%	98.1%	100.8%	100.5%	99.5%	99.5%	99.2%	97.3%	97.4%	96.4%
Balancing Energy +	-1.6%*	-0.3%*	0.3%	1.9%	-0.8%*	-0.5%*	0.5%	0.5%	0.8%	2.7%	2.6%	3.6%
Total MWH	13,366,052	11,986,216	12,792,696	12,088,196	12,462,759	13,974,041	16,385,032	16,245,862	14,035,422	13,210,317	12,809,561	14,094,395
Average Daily Energy Sendout/Month GWh	427	418	403	397	388	449	513	511	444	412	413	440

+ 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 2003 Energy Statistics

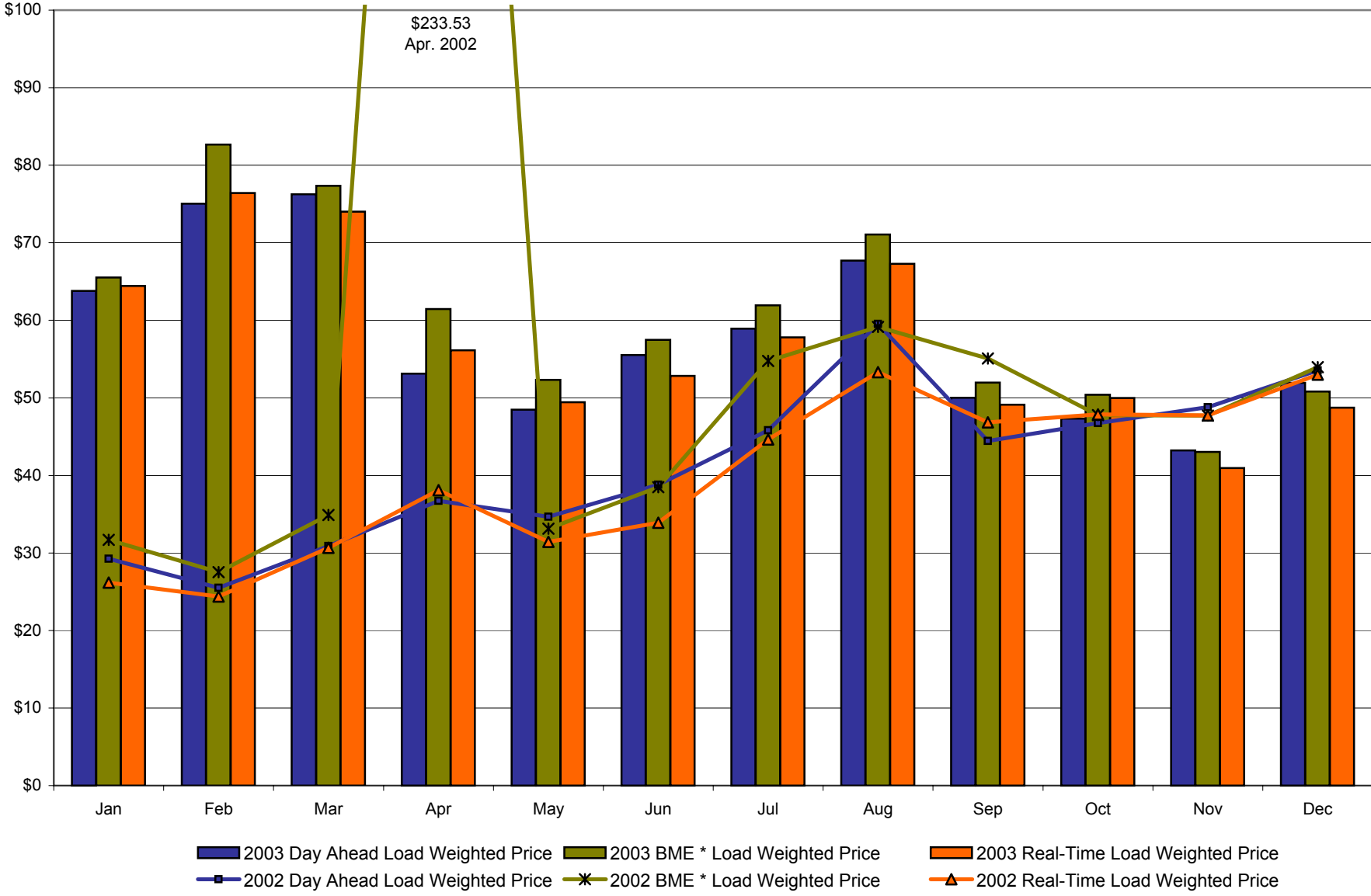
	January	February	March	April	May	June	July	August	September	October	November	December
<u>DAY AHEAD LBMP</u>												
Unweighted Price	\$61.33	\$72.81	\$73.18	\$51.58	\$46.43	\$51.45	\$57.10	\$64.94	\$48.29	\$45.81	\$41.58	\$50.07
Standard Deviation	\$20.09	\$21.12	\$29.70	\$12.47	\$14.03	\$21.27	\$11.88	\$18.06	\$11.04	\$10.91	\$12.06	\$14.92
Load Wtg.Price	\$63.81	\$75.03	\$76.25	\$53.14	\$48.47	\$55.52	\$58.93	\$67.71	\$50.02	\$47.34	\$43.21	\$51.95
<u>BME * LBMP</u>												
Unweighted Price	\$63.19	\$80.25	\$74.27	\$59.22	\$50.27	\$53.84	\$59.99	\$67.63	\$50.34	\$48.74	\$41.01	\$48.73
Standard Deviation	\$25.43	\$41.53	\$32.77	\$25.00	\$16.37	\$22.27	\$14.82	\$72.20	\$14.01	\$15.35	\$18.51	\$18.89
Load Wtg.Price	\$65.54	\$82.65	\$77.33	\$61.45	\$52.31	\$57.49	\$61.94	\$71.07	\$51.96	\$50.39	\$43.05	\$50.81
<u>REAL TIME LBMP</u>												
Unweighted Price	\$61.53	\$74.03	\$70.54	\$53.94	\$46.74	\$48.96	\$55.94	\$64.32	\$47.24	\$48.57	\$38.72	\$46.45
Standard Deviation	\$30.16	\$37.46	\$37.97	\$28.70	\$23.03	\$21.57	\$13.68	\$34.91	\$15.52	\$25.74	\$22.35	\$20.55
Load Wtg.Price	\$64.43	\$76.41	\$74.02	\$56.14	\$49.44	\$52.82	\$57.79	\$67.27	\$49.12	\$49.98	\$40.96	\$48.73
Average Daily Energy Sendout/Month GWh	458	450	418	393	382	432	497	498	433	397	402	435

NYISO Markets 2002 Energy Statistics

	January	February	March	April	May	June	July	August	September	October	November	December
<u>DAY AHEAD LBMP</u>												
Unweighted Price	\$28.39	\$24.93	\$30.07	\$35.25	\$33.36	\$38.96	\$51.07	\$54.86	\$42.58	\$45.16	\$47.30	\$52.01
Standard Deviation	\$7.26	\$4.61	\$7.28	\$11.57	\$8.76	\$15.32	\$23.15	\$29.88	\$11.72	\$11.61	\$11.72	\$12.28
Load Wtg.Price	\$29.25	\$25.50	\$30.88	\$36.72	\$34.66	\$38.81	\$45.81	\$59.54	\$44.43	\$46.76	\$48.79	\$53.54
<u>BME * LBMP</u>												
Unweighted Price	\$30.66	\$26.84	\$33.53	\$191.03	\$31.43	\$38.57	\$63.19	\$55.27	\$51.96	\$45.90	\$46.53	\$52.44
Standard Deviation	\$11.22	\$7.60	\$13.84	\$1,020.88	\$13.91	\$54.74	\$181.17	\$29.34	\$147.55	\$12.10	\$11.07	\$14.74
Load Wtg.Price	\$31.67	\$27.54	\$34.88	\$233.53	\$33.12	\$38.49	\$54.76	\$59.15	\$55.08	\$47.76	\$47.70	\$53.95
<u>REAL TIME LBMP</u>												
Unweighted Price	\$25.36	\$23.73	\$29.78	\$35.44	\$29.80	\$33.98	\$53.70	\$49.74	\$44.08	\$46.16	\$46.13	\$51.04
Standard Deviation	\$8.27	\$8.83	\$10.97	\$25.85	\$13.32	\$16.92	\$66.25	\$24.86	\$34.24	\$17.61	\$18.25	\$22.41
Load Wtg.Price	\$26.17	\$24.39	\$30.67	\$38.10	\$31.42	\$33.91	\$44.63	\$53.32	\$46.85	\$47.88	\$47.75	\$53.01
Average Daily Energy Sendout/Month GWh	427	418	403	397	388	449	513	511	444	412	413	440

* Commonly referred as Hour Ahead Market (HAM)

**NYISO Monthly Average Internal LBMPs
2002 - 2003**



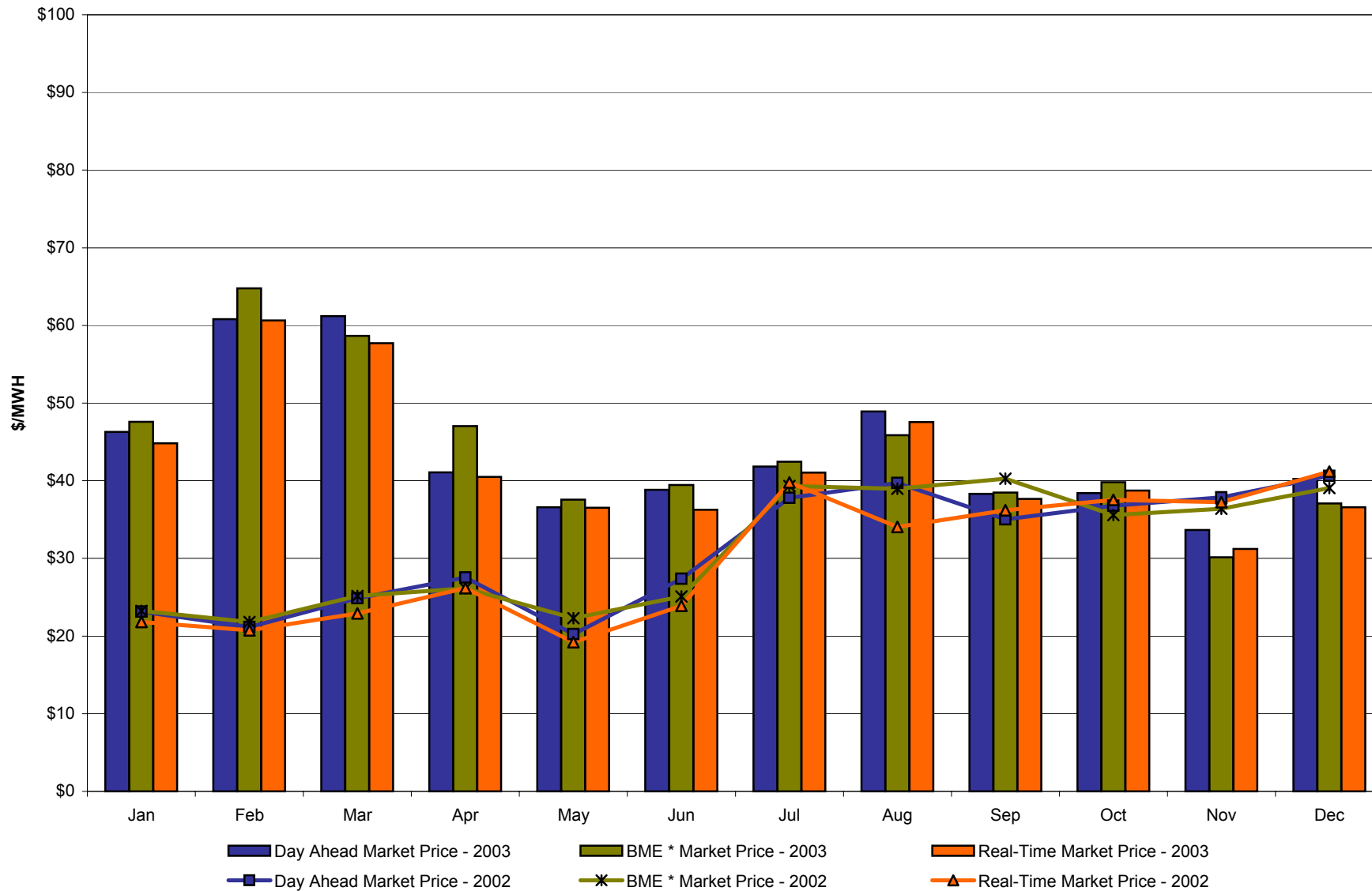
* Commonly referred to as Hour Ahead Market (HAM)

December 2003 Zonal Statistics for NYISO (\$/MWH)

	WEST Zone A	GENESEE Zone B	NORTH Zone D	CENTRAL Zone C	MOHAWK VALLEY Zone E	CAPITAL Zone F	HUDSON VALLEY Zone G	MILLWOOD Zone H	DUNWOODIE Zone I	NEW YORK CITY Zone J	LONG ISLAND Zone K
<u>DAY AHEAD LBMP</u>											
Unweighted Price	40.23	42.51	43.65	42.89	44.18	45.89	45.82	45.97	46.67	58.23	55.59
Standard Deviation	12.71	13.42	12.96	13.26	13.46	13.96	13.82	13.88	14.13	19.79	16.69
<u>BME * LBMP</u>											
Unweighted Price	37.09	38.51	41.55	40.77	42.05	43.05	43.79	43.64	44.25	54.41	66.00
Standard Deviation	16.75	16.90	17.28	17.62	17.92	18.29	18.57	18.52	18.81	24.07	28.97
<u>REAL TIME LBMP</u>											
Unweighted Price	36.59	39.25	39.37	38.59	40.02	41.69	40.47	40.83	41.49	54.34	53.09
Standard Deviation	18.37	19.21	19.13	18.99	19.50	20.02	19.91	20.12	20.45	27.24	23.24
	ONTARIO HYDRO Zone O	HYDRO QUEBEC Zone M	PJM Zone P	NEW ENGLAND Zone N							
<u>DAY AHEAD LBMP</u>											
Unweighted Price	39.58	43.86	40.99	46.85							
Standard Deviation	12.30	12.97	13.87	14.34							
<u>BME * LBMP</u>											
Unweighted Price	36.38	41.50	39.23	46.00							
Standard Deviation	16.91	17.83	18.52	18.06							
<u>REAL TIME LBMP</u>											
Unweighted Price	36.27	38.94	36.71	43.38							
Standard Deviation	18.65	19.26	18.71	19.41							

*Commonly Referred as Hour Ahead Market (HAM)

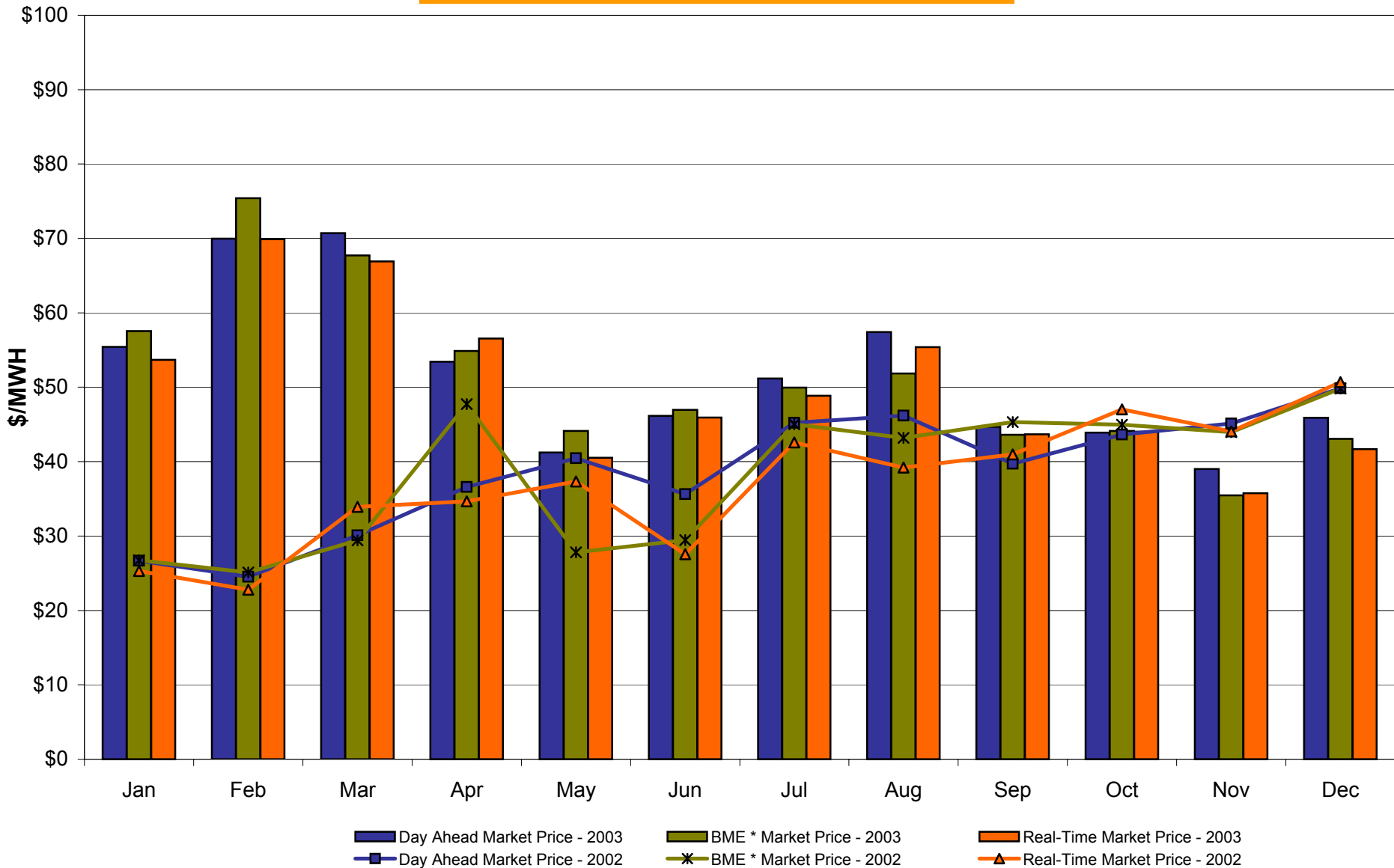
West Zone A Monthly Average LBMP Prices 2002 - 2003



* Commonly referred to as Hour Ahead Market (HAM)

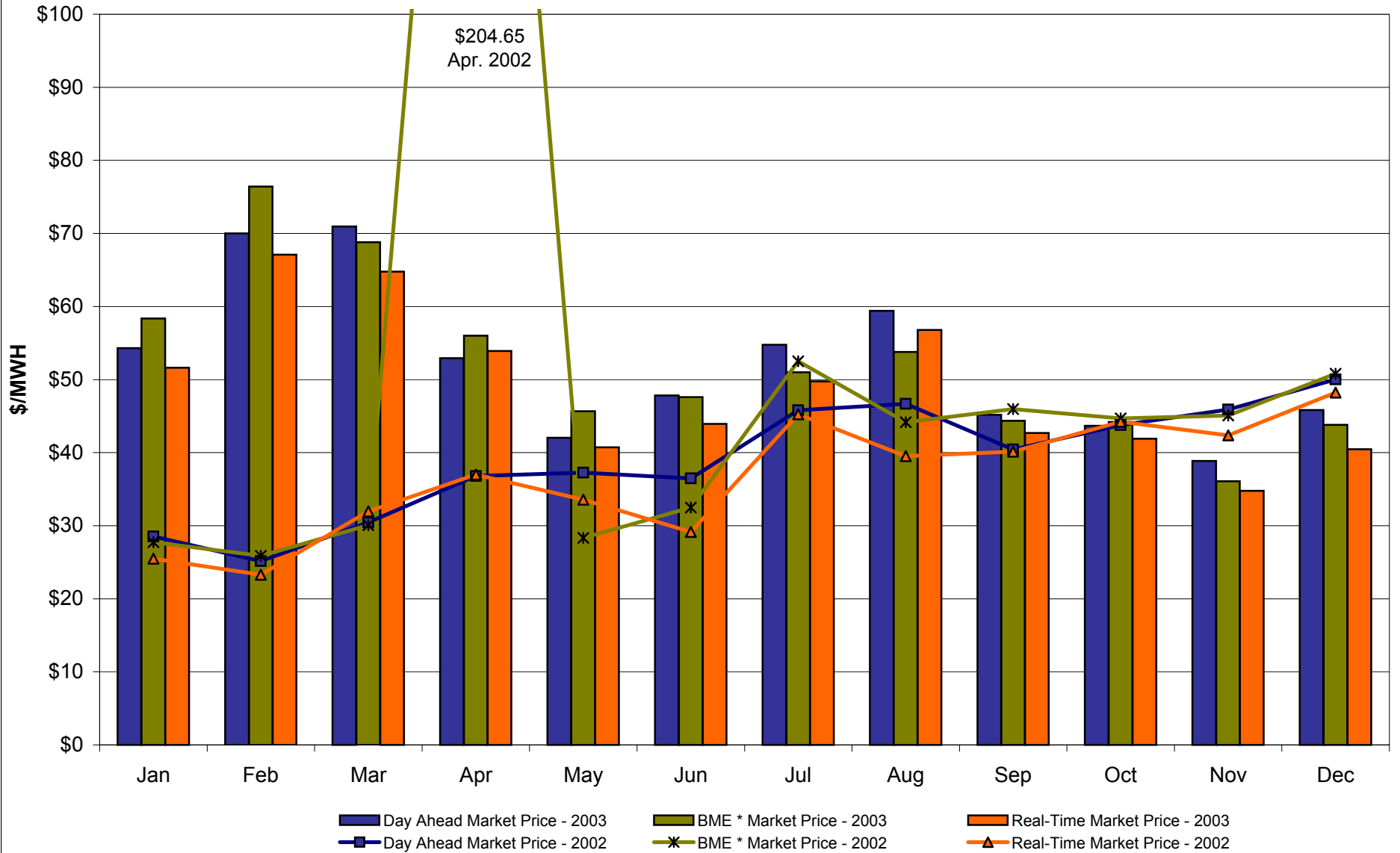
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Capital Zone F Monthly Average LBMP Prices 2002 - 2003



* Commonly referred to as Hour Ahead Market (HAM)

Hudson Valley Zone G Monthly Average LBMP Prices 2002 - 2003



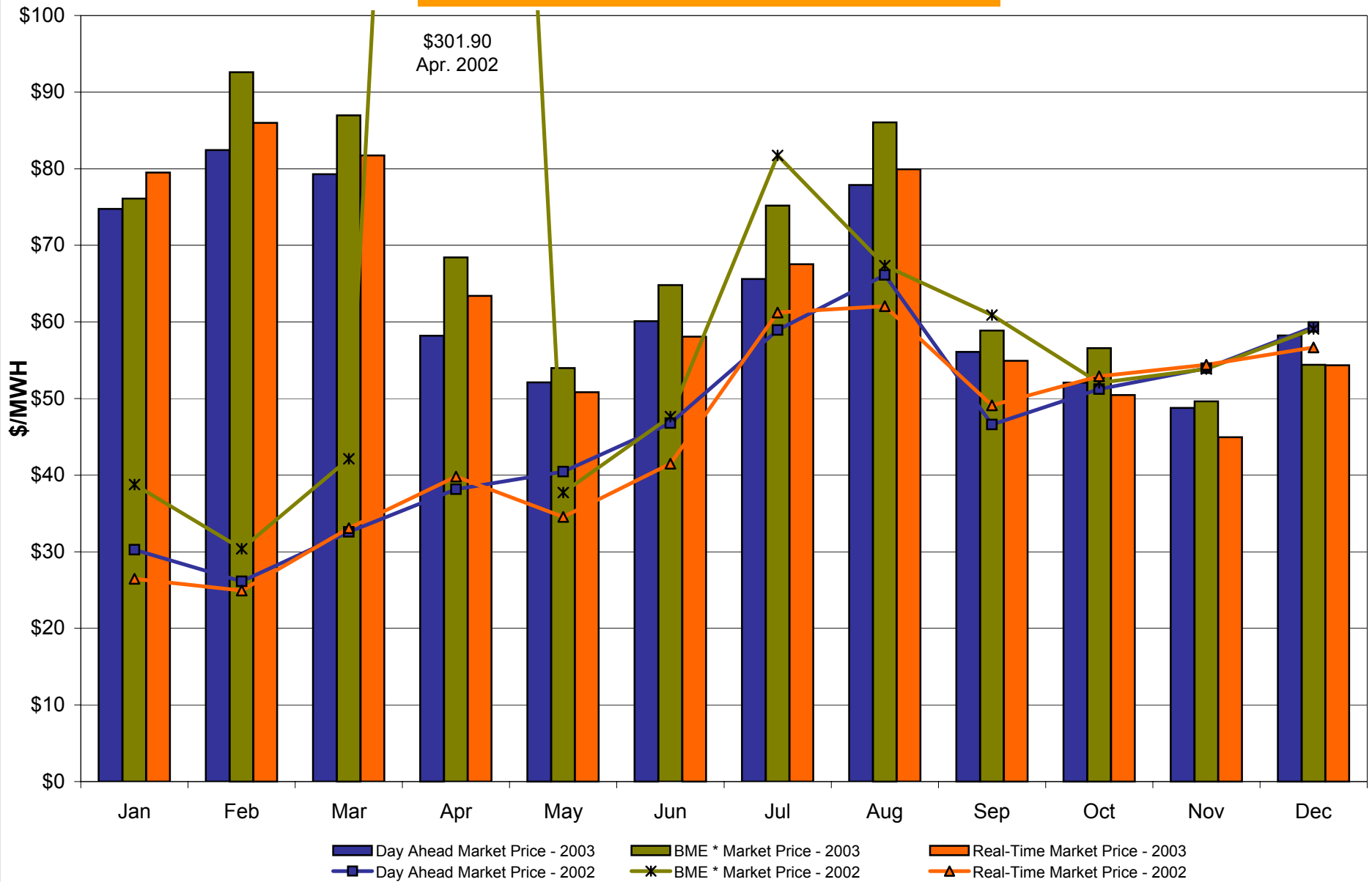
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* Commonly referred to as Hour Ahead Market (HAM)

Preliminary data thru 12/31/03

Market Monitoring
Prepared: 1/5/2004 13:00

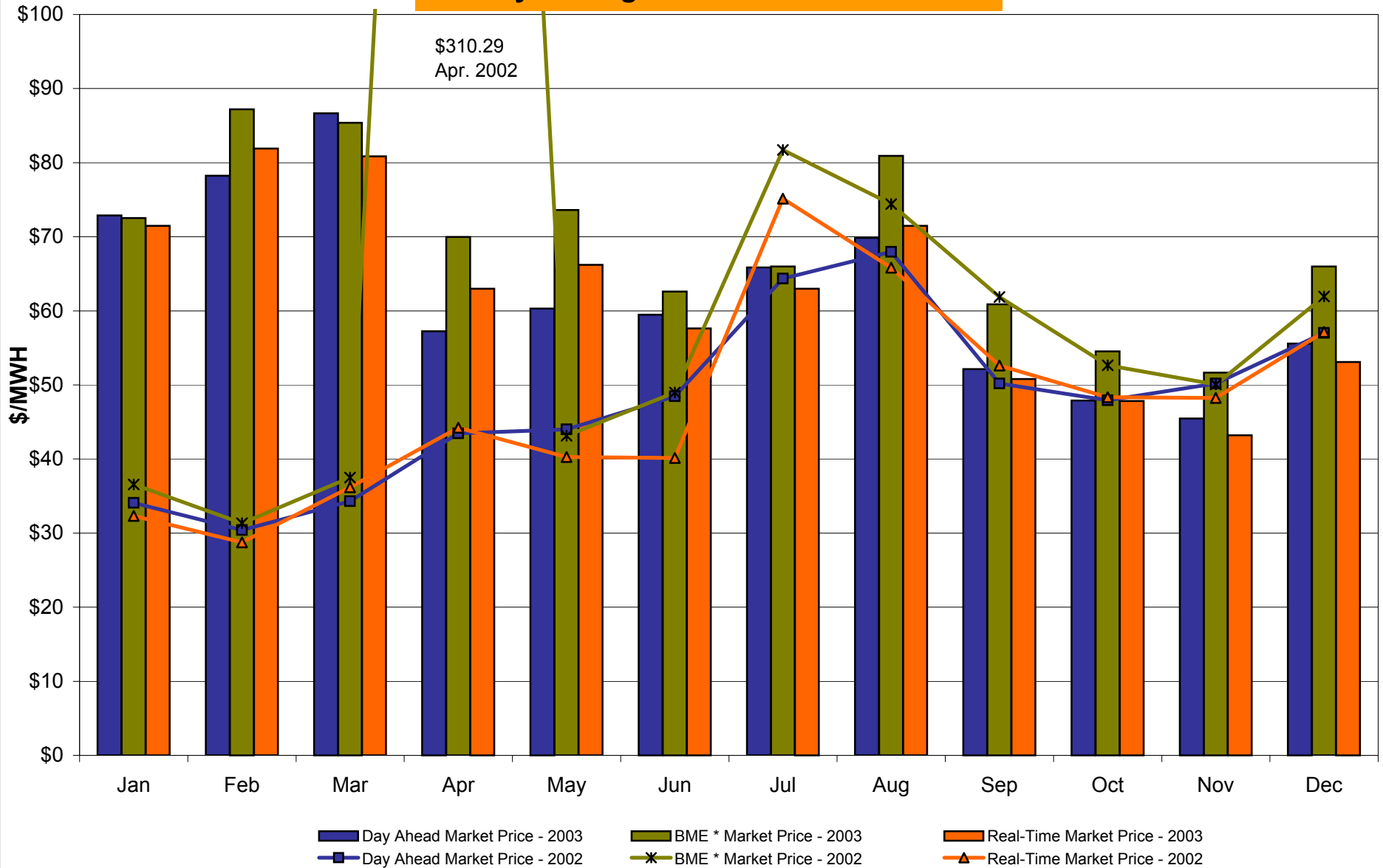
NYC Zone J Monthly Average LBMP Prices 2002 - 2003



* Commonly referred to as Hour Ahead Market (HAM)

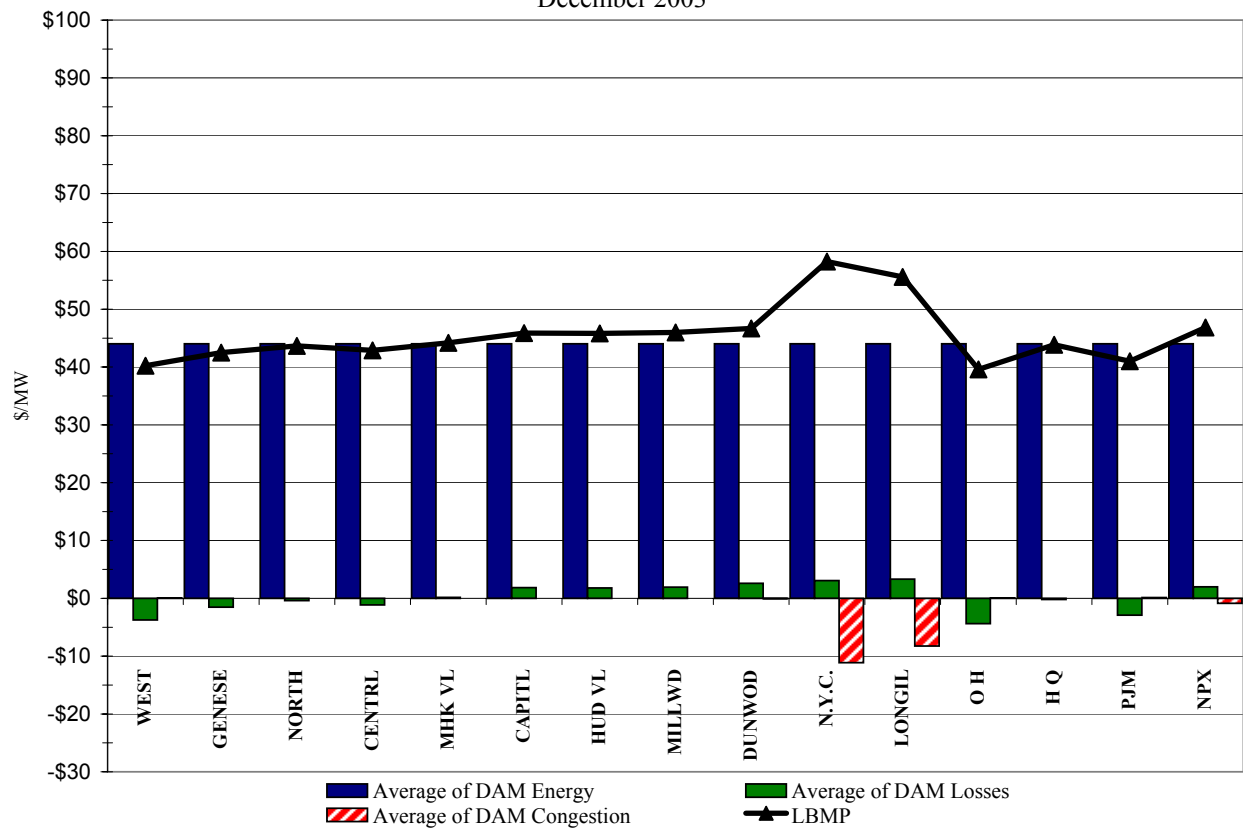
4-K

Long Island Zone K Monthly Average LBMP Prices 2002 - 2003

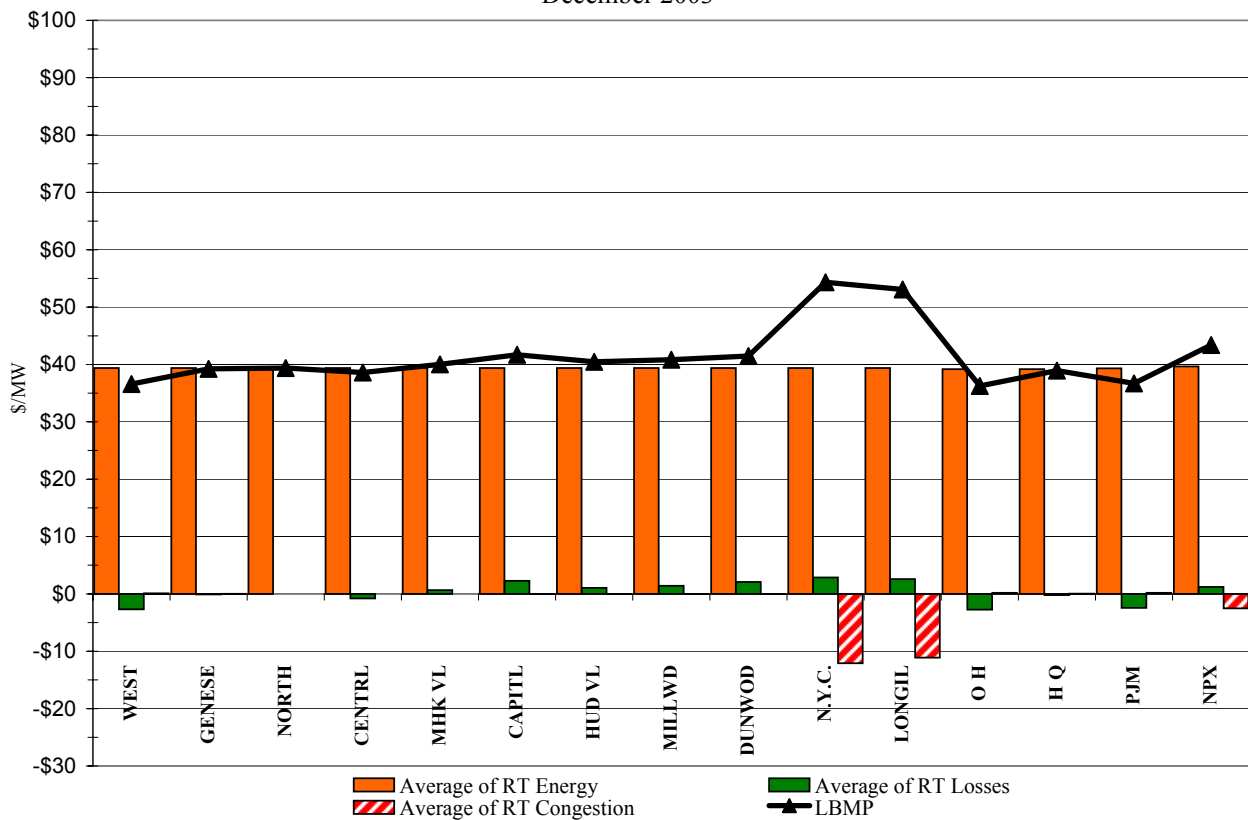


* Commonly referred to as Hour Ahead Market (HAM)

DAM Zonal Unweighted Monthly Average LBMP Components
December 2003

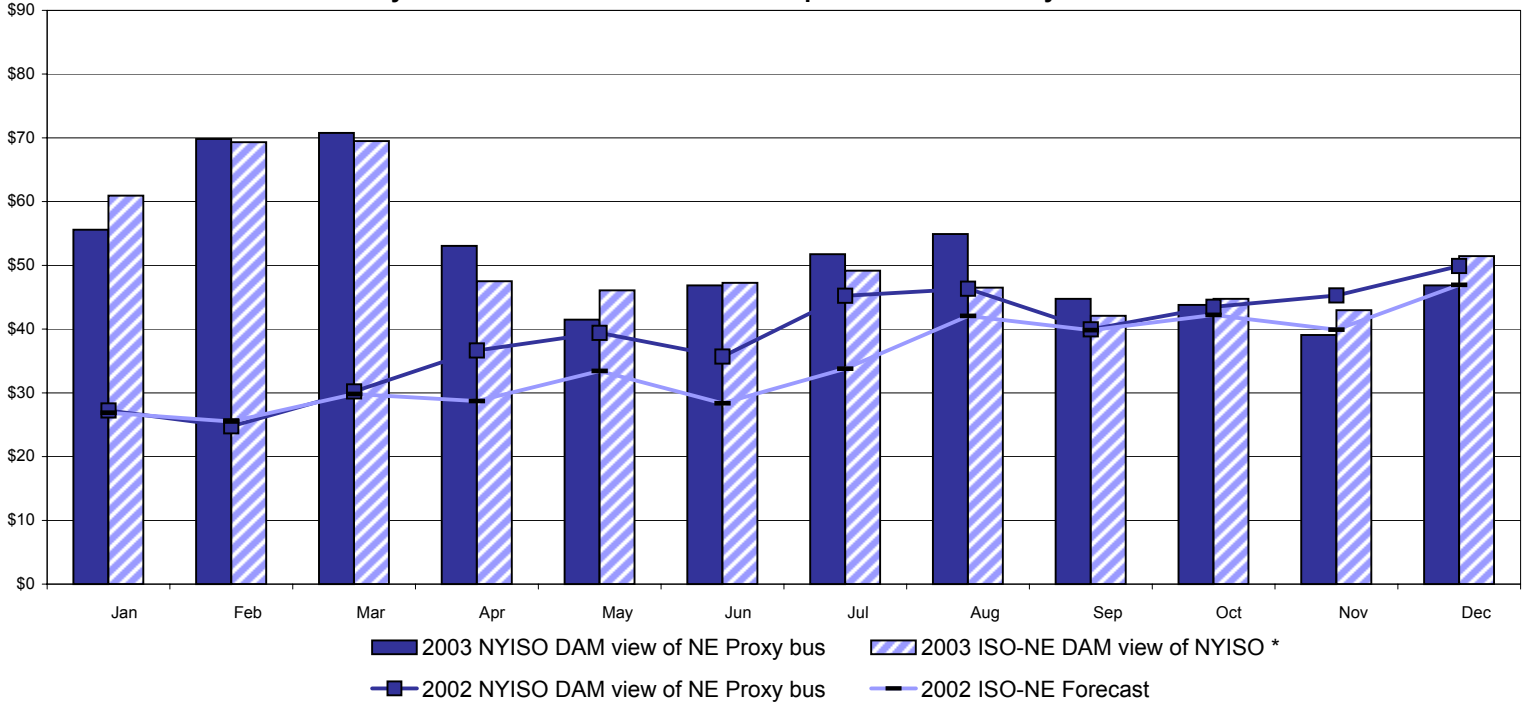


RT Zonal Unweighted Monthly Average LBMP Components
December 2003

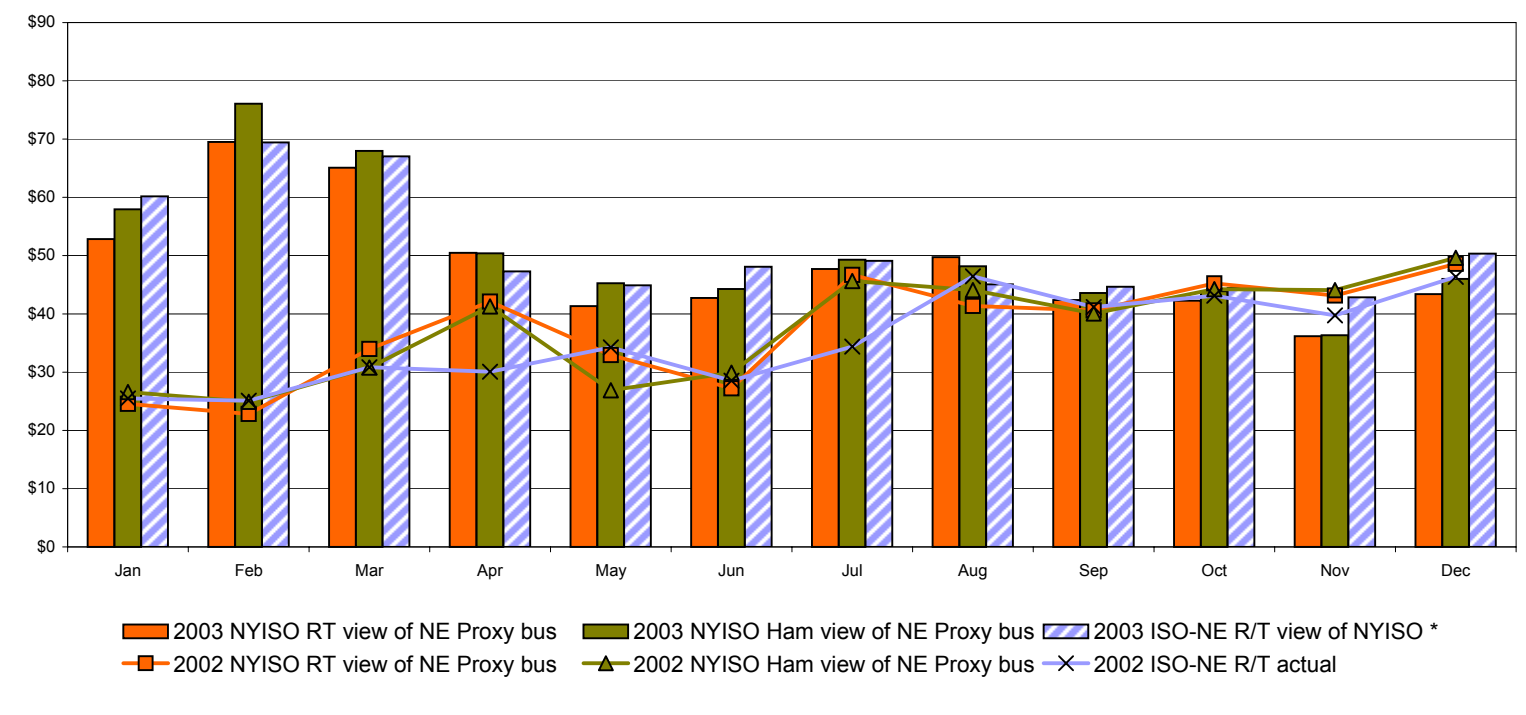


External Comparison ISO-NE

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



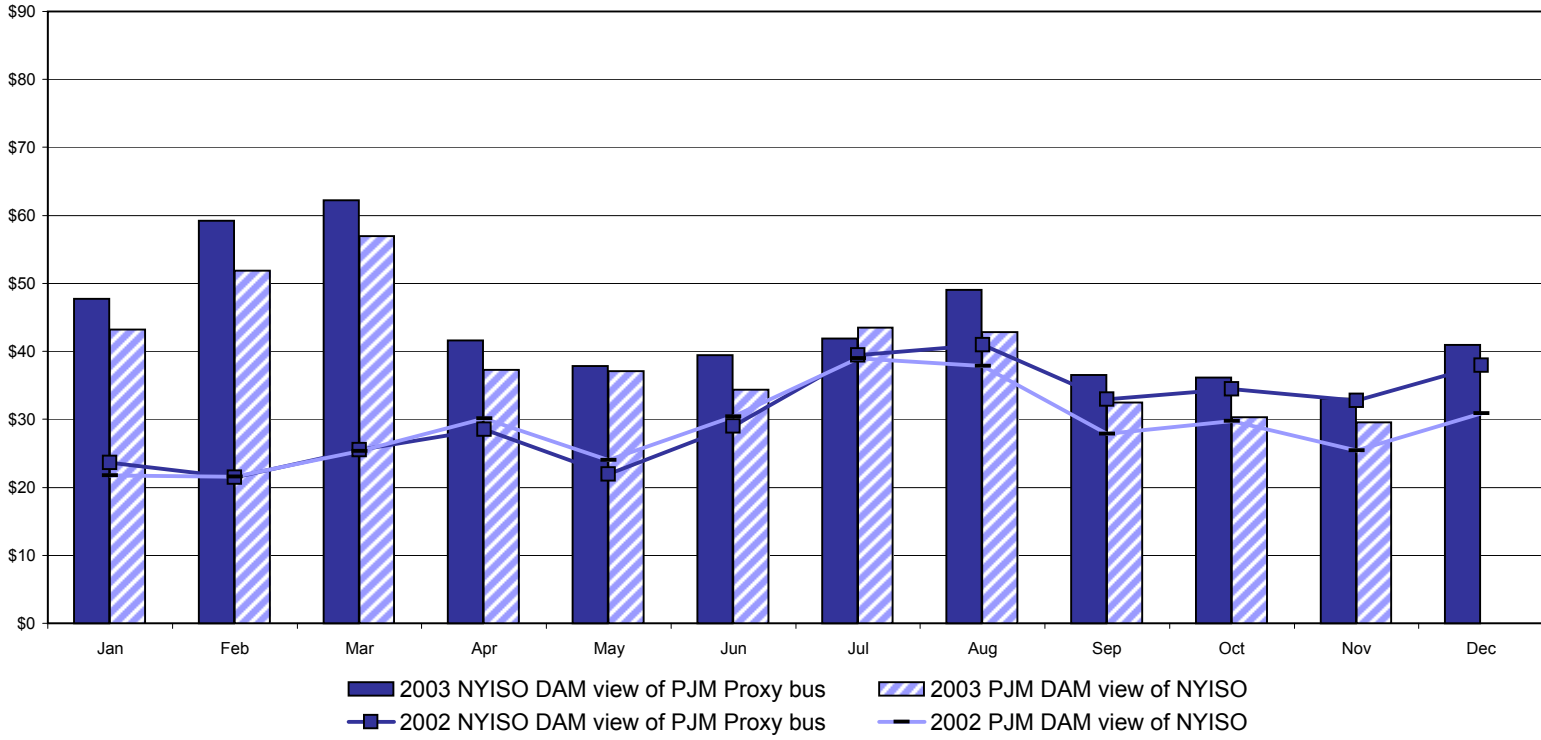
Real Time External Zone Comparison - ISO-NE only \$/MWH



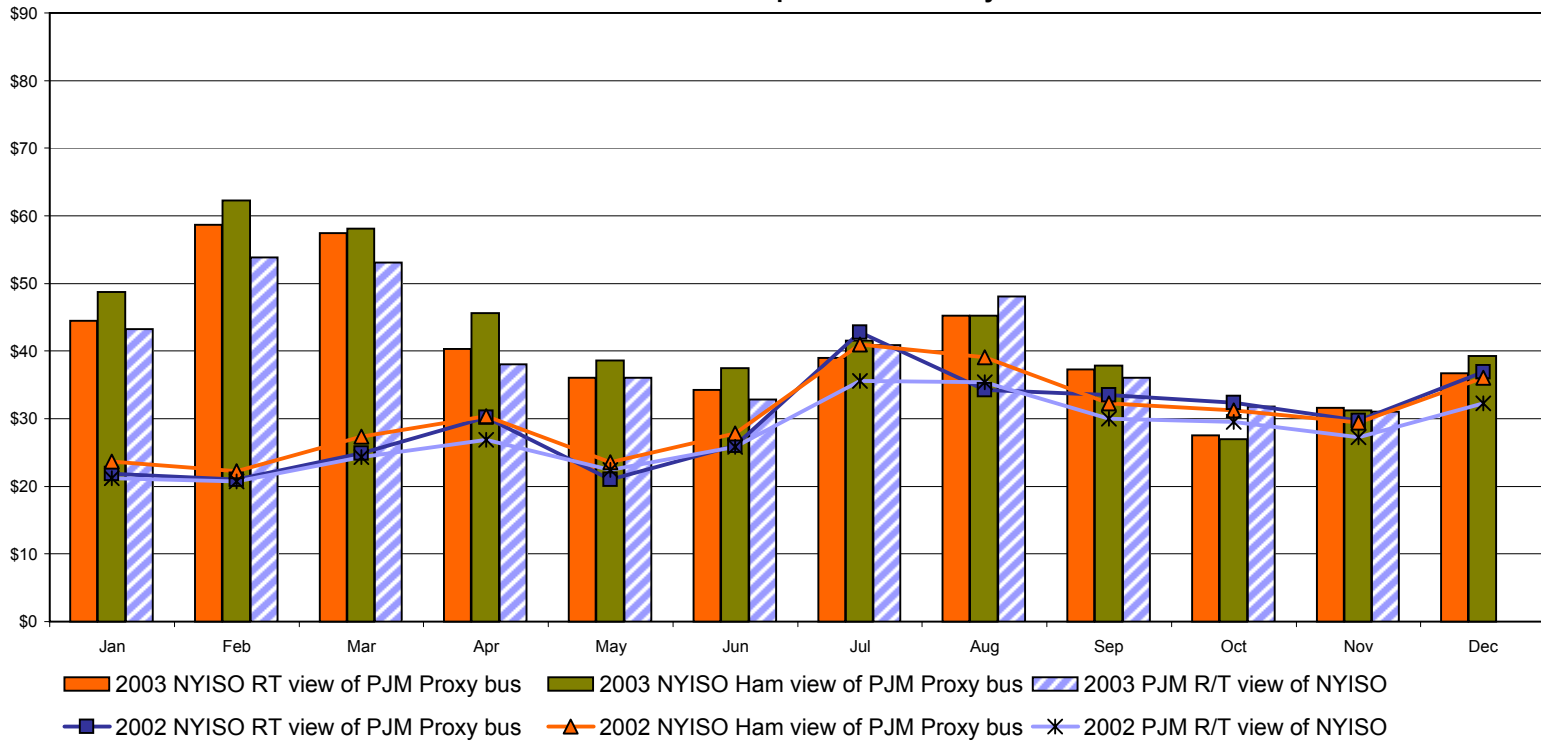
Note:
 ISO-NE Forecast is an advisory posting @ 18:00 day before
 * Effective 3/1/2003 SMD implemented by ISO-NE. The DAM and R/T prices at the Roseton interface are now used.

External Comparison PJM

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

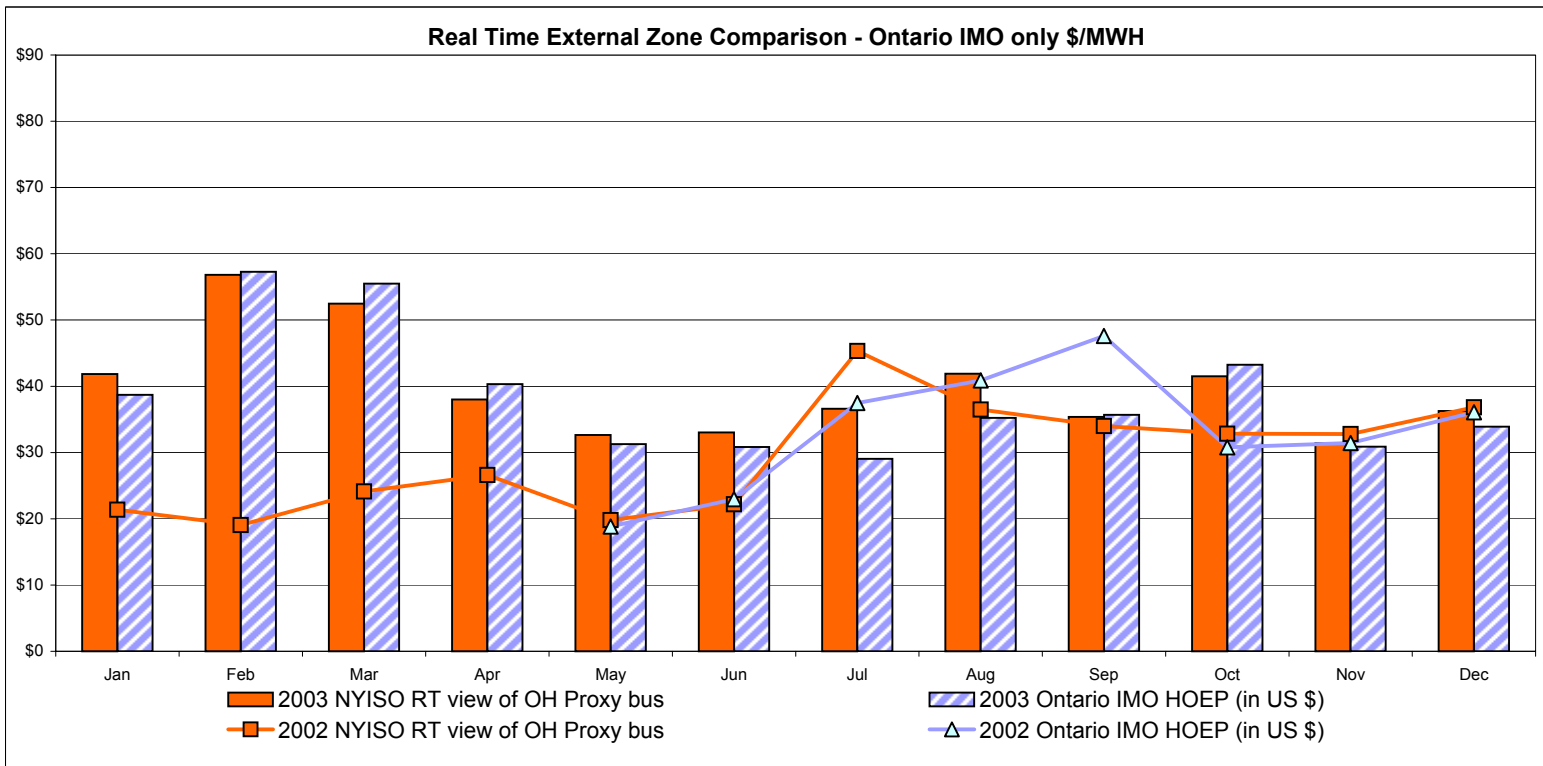
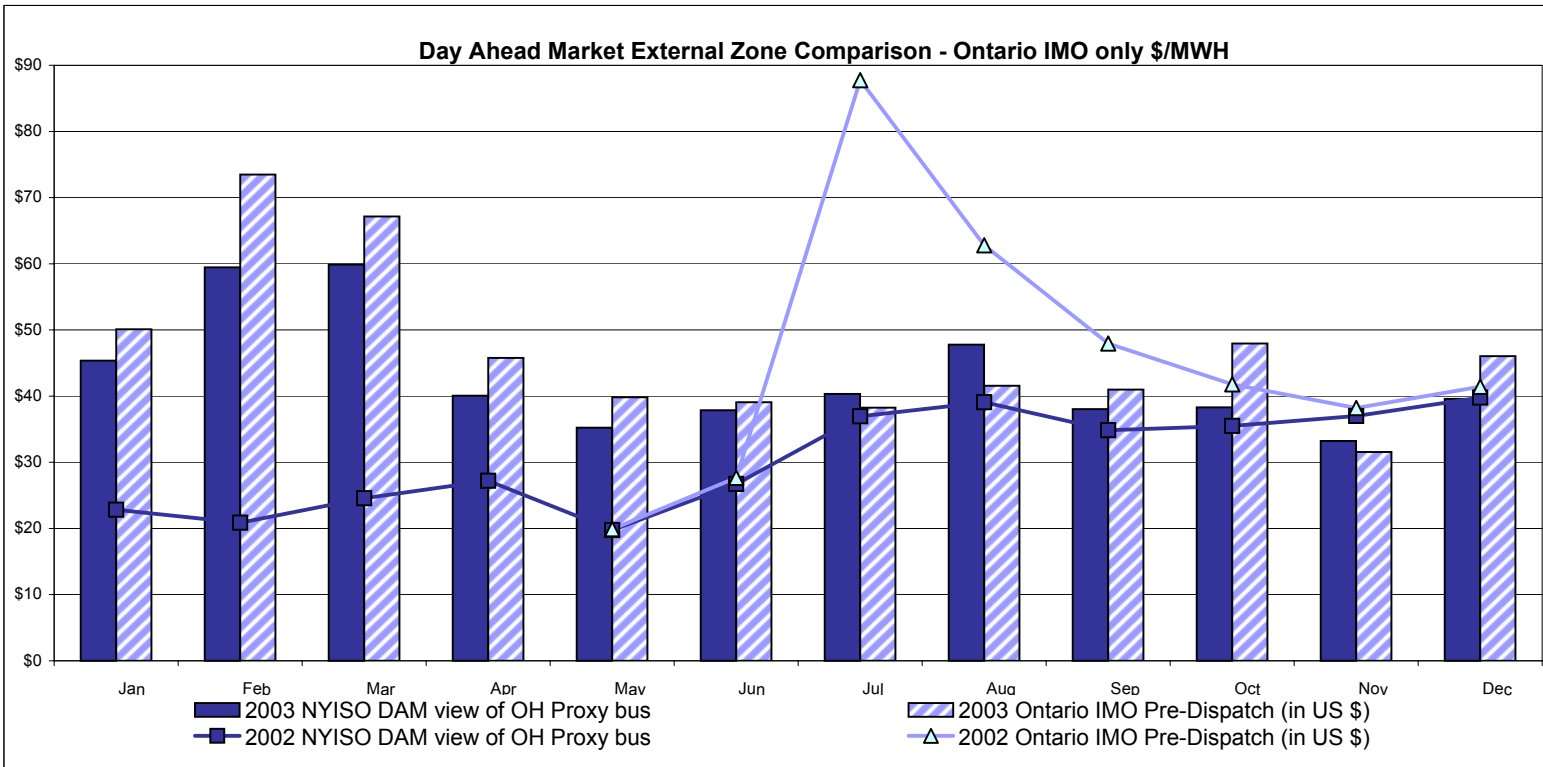


Real Time External Zone Comparison - PJM only \$/MWH



Note:
 After 5/1/02 PJM lists only one interface as NYIS
 December 2003 data not yet posted by PJM

External Comparison Ontario IMO



Notes: Exchange factor used for December 2003 was .76 to US \$
 HOEP: Hourly Ontario Energy Price
 Pre-Dispatch: Projected Energy Price
 Pre-Dispatch data from 8/14/03 Hr 15 thru 8/21/03 not included

NYISO Price Correction Statistics

NYISO Price Corrections 2003

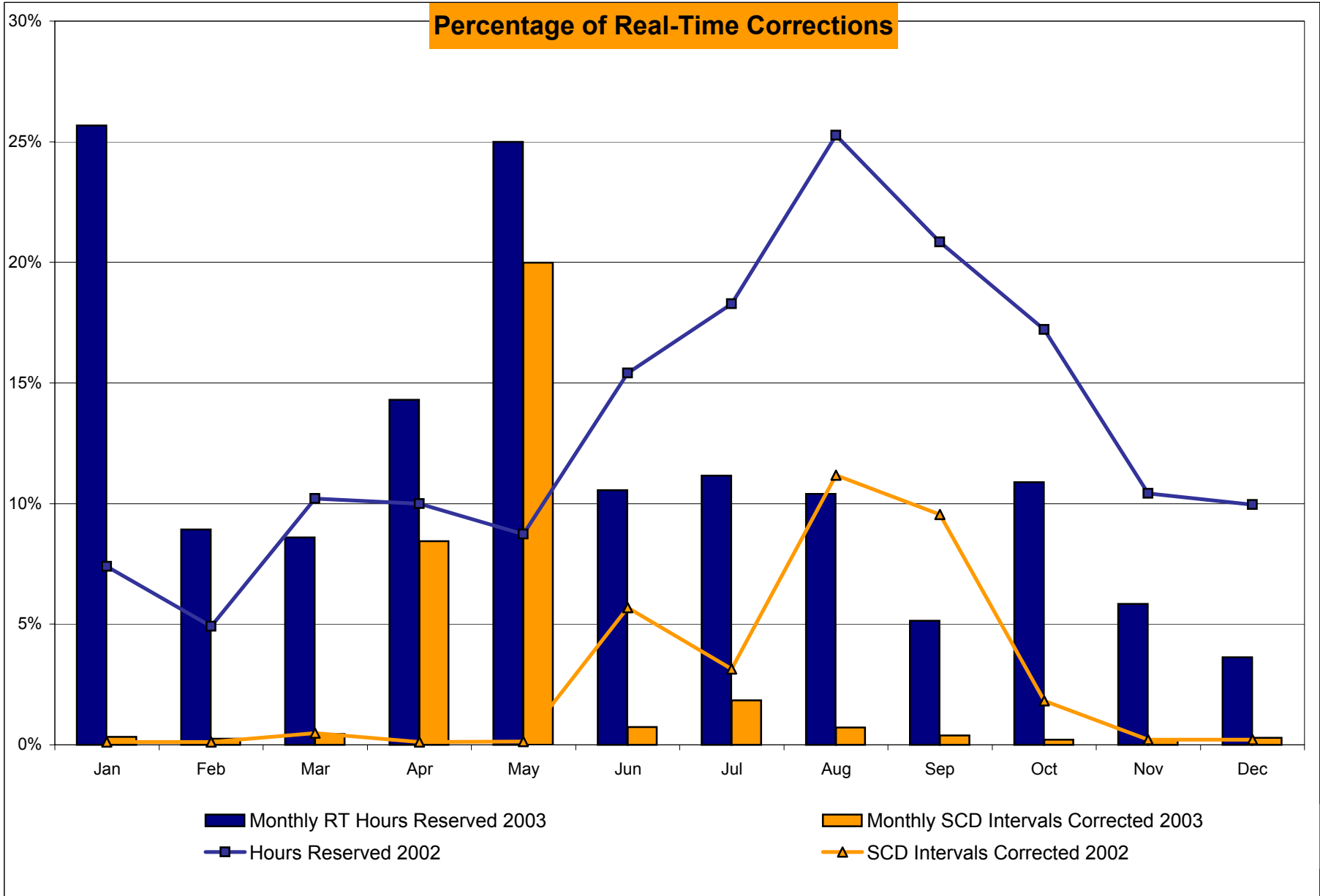
<u>Interval Corrections</u>	January	February	March	April	May	June	July	August	September	October	November	December
Number of Intervals corrected in the month	36	25	49	891	2,254	79	202	71	41	25	25	33
Number of Intervals in the month	10,986	10,197	10,918	10,554	11,274	10,729	10,998	9,973	10,620	11,248	10,629	11,175
Percentage of intervals corrected in the month	0.32%	0.25%	0.45%	8.44%	19.99%	0.74%	1.84%	0.71%	0.39%	0.22%	0.24%	0.30%
Number of Intervals corrected Year-to-date	36	61	110	1,001	3,255	3,334	3,536	3,607	3,648	3,673	3,698	3,731
Number of Intervals Year-to-date	10,986	21,183	32,101	42,655	53,929	64,658	75,656	85,629	96,249	107,497	118,126	129,301
Percentage of intervals corrected Year-to-date	0.32%	0.28%	0.34%	2.35%	6.04%	5.16%	4.67%	4.21%	3.79%	3.42%	3.13%	2.89%
<u>Hours Reserved</u>												
Number of hours reserved in the month	191	60	64	103	186	76	83	69	37	81	42	27
Number of hours in the month	744	672	744	720	744	720	744	664 *	720	744	720	744
Percentage of hours reserved in the month	25.67%	8.93%	8.60%	14.31%	25.00%	10.56%	11.16%	10.39%	5.14%	10.89%	5.83%	3.63%
Number of hours reserved Year-to-date	191	251	315	418	604	680	763	832	869	950	992	1,019
Number of hours Year-to-date	744	1,416	2,160	2,880	3,624	4,344	5,088	5,752	6,472	7,216	7,936	8,680
Percentage of hours reserved Year-to-date	25.67%	15.74%	14.58%	14.51%	16.67%	15.65%	15.00%	14.46%	13.43%	13.17%	12.50%	11.74%
<u>Days Without Corrections</u>												
Days without price corrections in the month	17	15	14	9	8	8	7	5	9	17	15	14
Days without price corrections Year-to-date	17	32	46	55	63	71	78	83	92	109	124	138

NYISO Price Corrections 2002

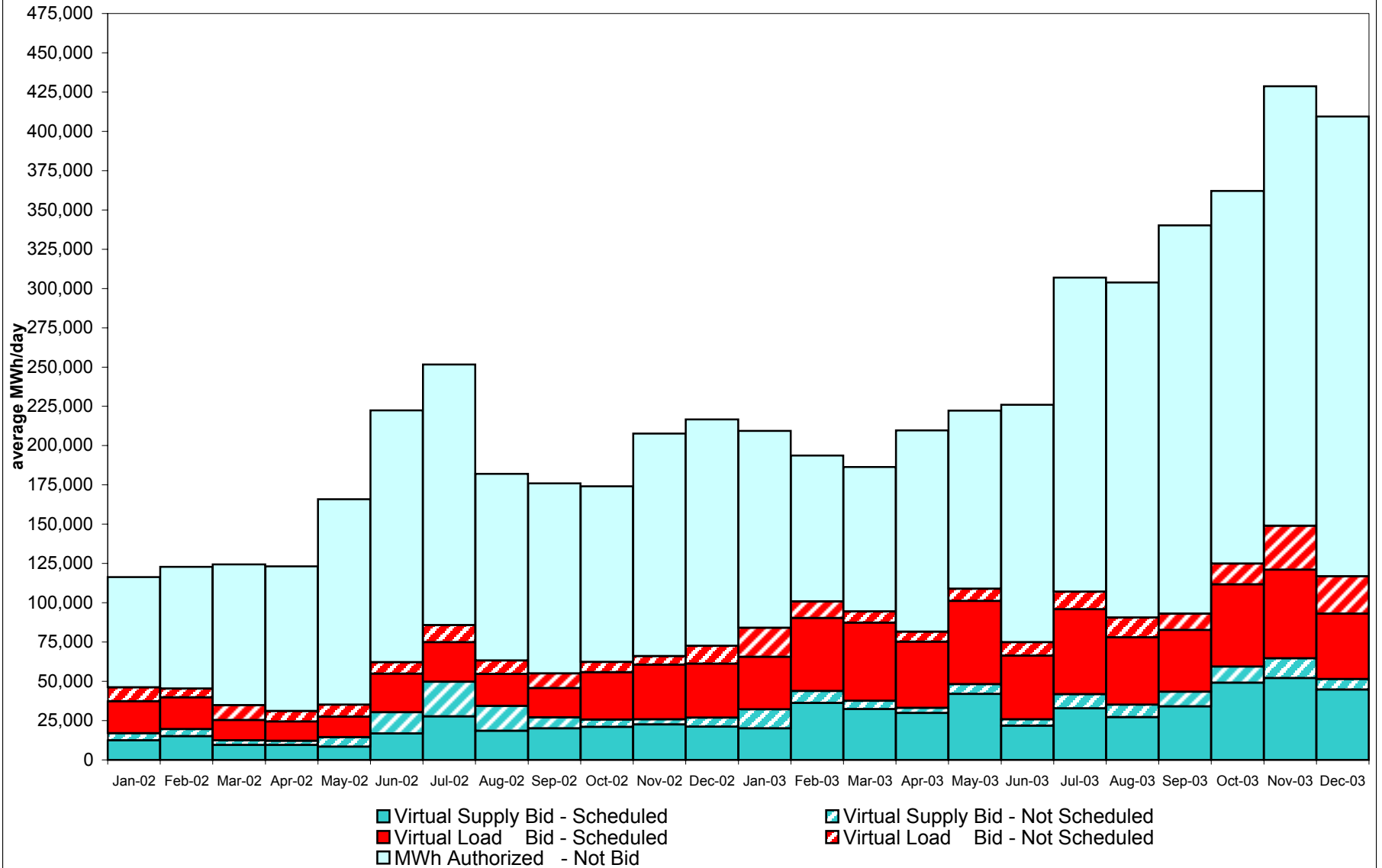
<u>Interval Corrections</u>	January	February	March	April	May	June	July	August	September	October	November	December
Number of Intervals corrected in the month	12	11	55	13	16	616	346	1,261	1,016	201	23	24
Number of Intervals in the month	11,129	10,111	11,231	11,075	11,330	10,845	11,014	11,291	10,632	11,068	10,568	11,043
Percentage of intervals corrected in the month	0.11%	0.11%	0.49%	0.12%	0.14%	5.68%	2.28%	11.17%	9.56%	1.82%	0.22%	0.22%
Number of Intervals corrected Year-to-date	12	23	78	91	107	723	1,069	2,330	3,346	3,547	3,570	3,594
Number of Intervals Year-to-date	11,129	21,240	32,471	43,546	54,876	65,721	76,735	88,026	98,658	109,726	120,294	131,337
Percentage of intervals corrected Year-to-date	0.11%	0.11%	0.24%	0.21%	0.19%	1.10%	1.27%	2.65%	3.39%	3.23%	2.97%	2.74%
<u>Hours Reserved</u>												
Number of hours reserved in the month	55	33	76	72	65	111	136	188	150	128	75	74
Number of hours in the month	744	672	744	720	744	720	744	744	720	744	720	744
Percentage of hours reserved in the month	7.26%	4.91%	10.22%	10.00%	8.74%	15.42%	18.28%	25.27%	20.83%	17.20%	10.42%	9.95%
Number of hours reserved Year-to-date	55	88	164	236	301	412	548	736	886	1,014	1,089	1,163
Number of hours Year-to-date	744	1,416	2,160	2,880	3,624	4,344	5,088	5,832	6,552	7,296	8,016	8,760
Percentage of hours reserved Year-to-date	7.26%	6.14%	7.55%	8.16%	8.31%	9.48%	10.77%	12.62%	13.52%	13.90%	13.59%	13.28%
<u>Days Without Corrections</u>												
Days without price corrections in the month	25	20	27	23	20	12	11	5	10	15	19	17
Days without price corrections Year-to-date	25	45	72	95	115	127	138	143	153	168	187	204

* 80 hours not included due to suspended market during system disruption

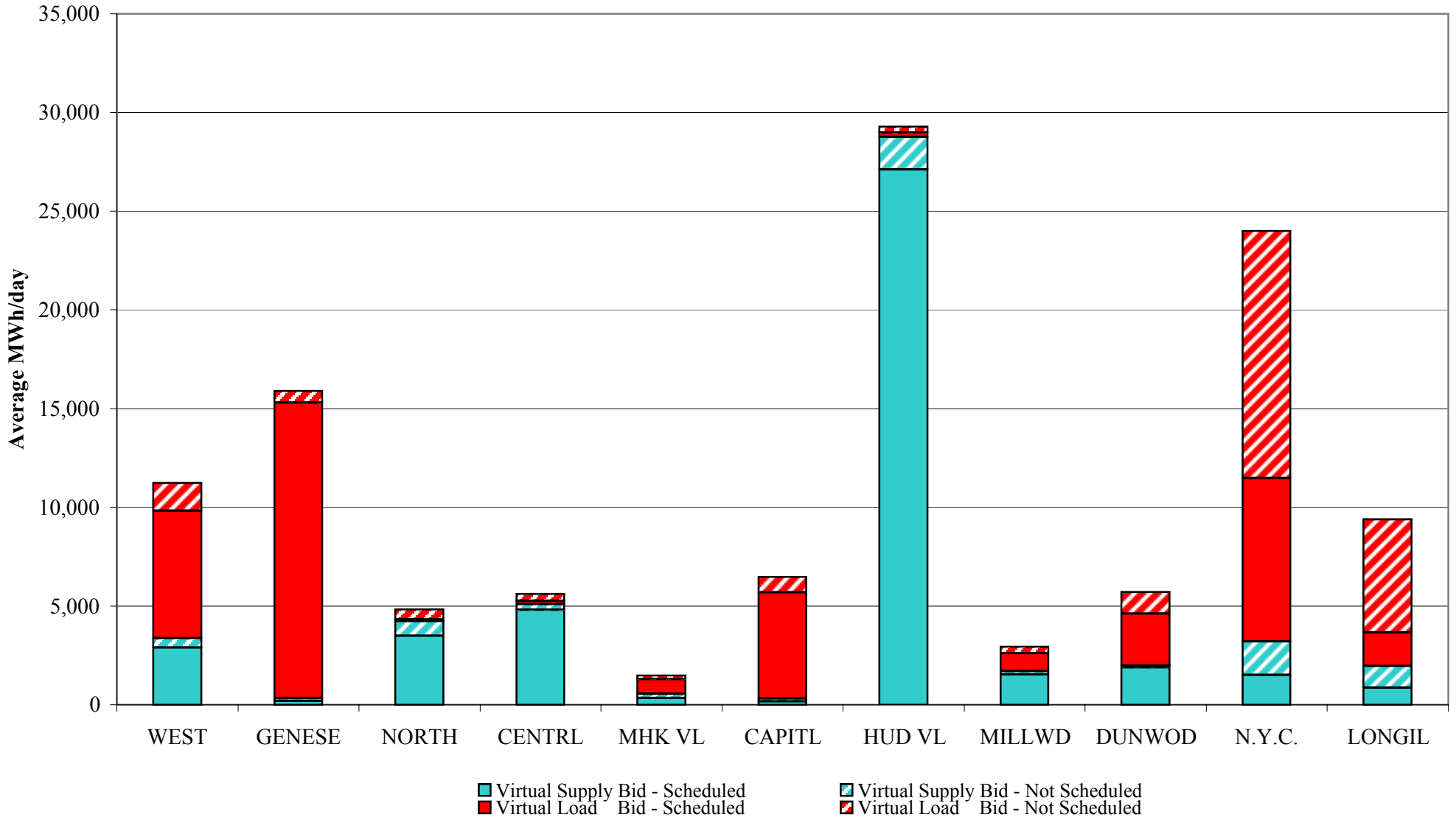
Percentage of Real-Time Corrections



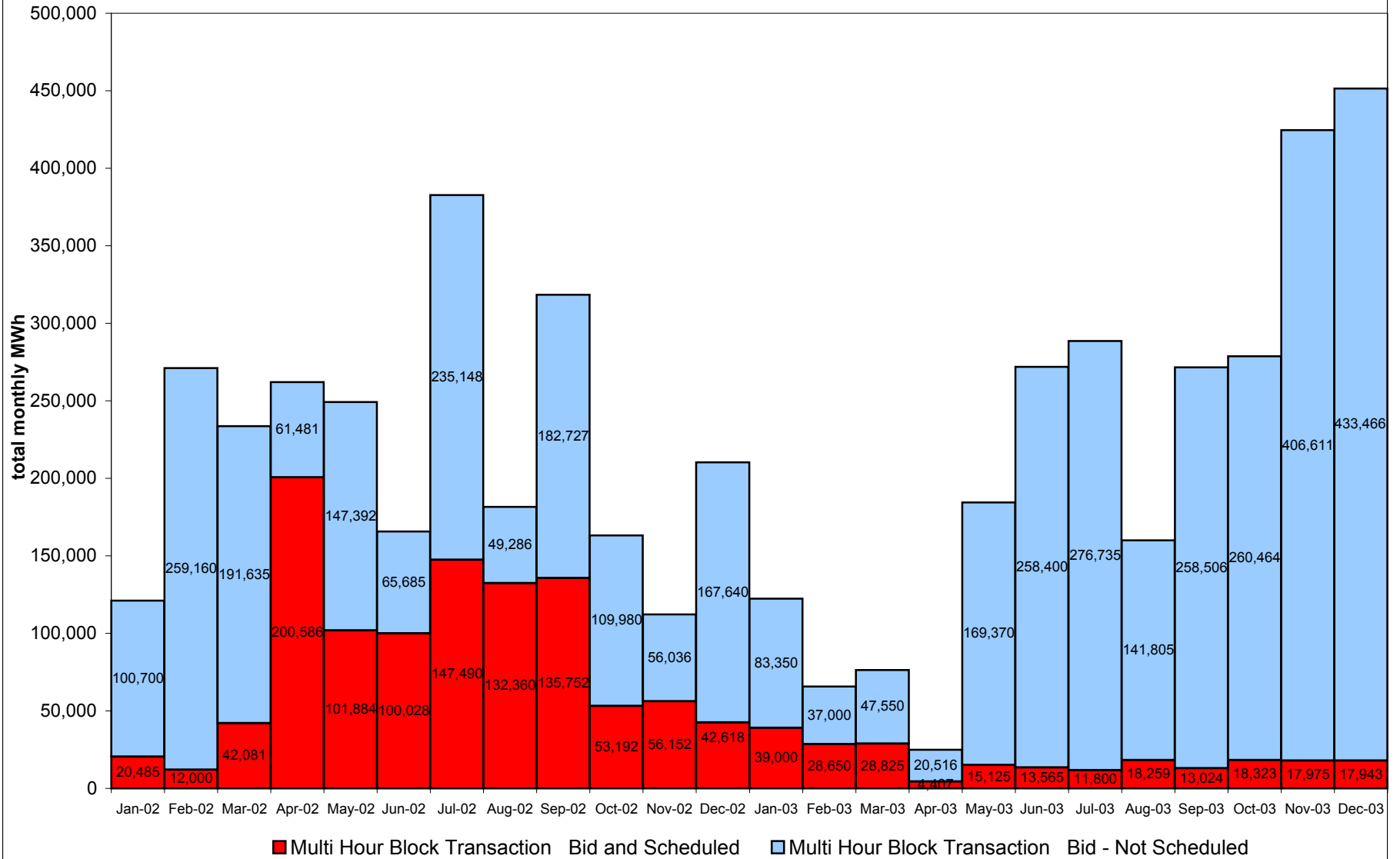
NYISO Virtual Trading Average MWh per day



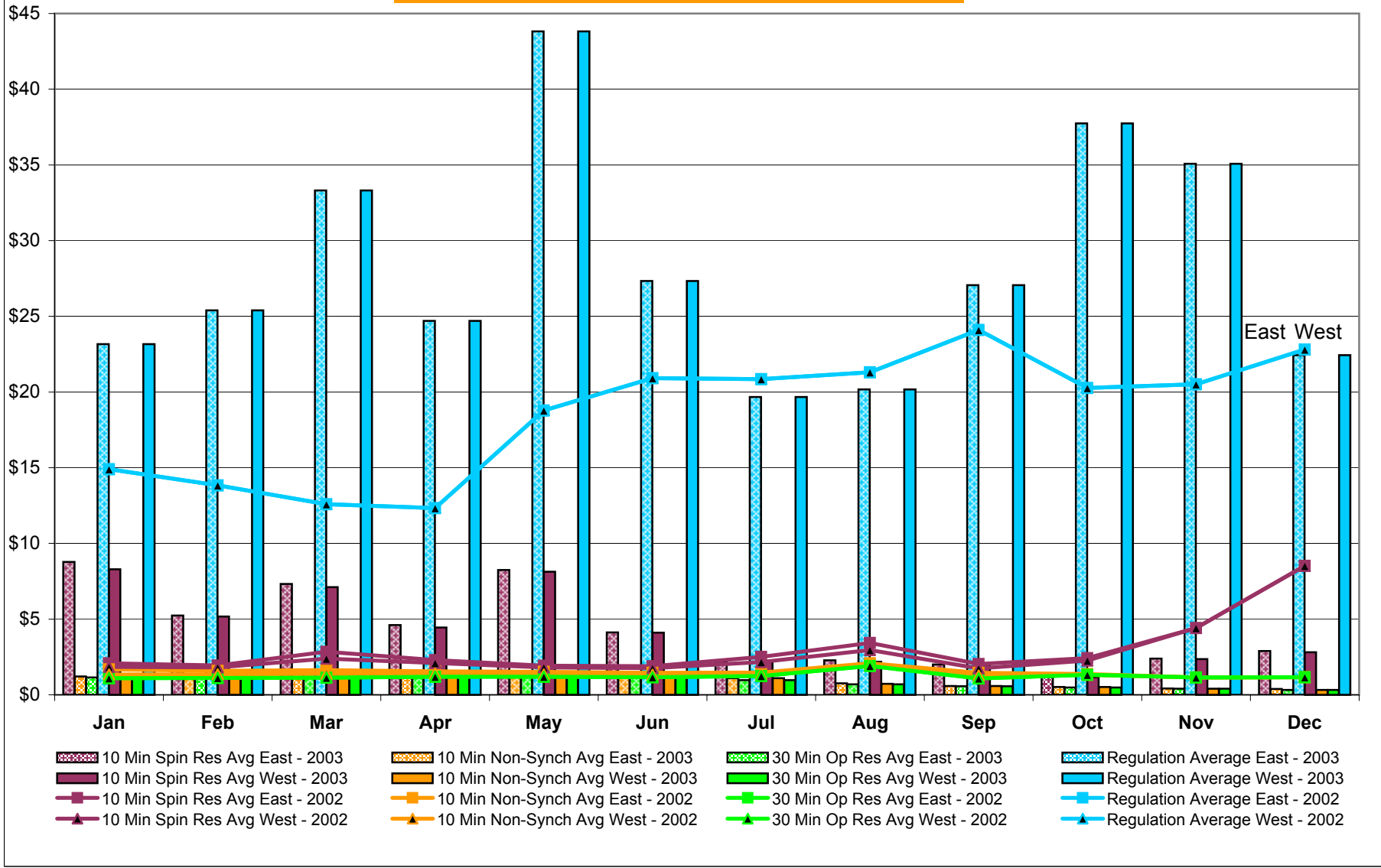
Virtual Load and Supply Zonal Statistics December 2003



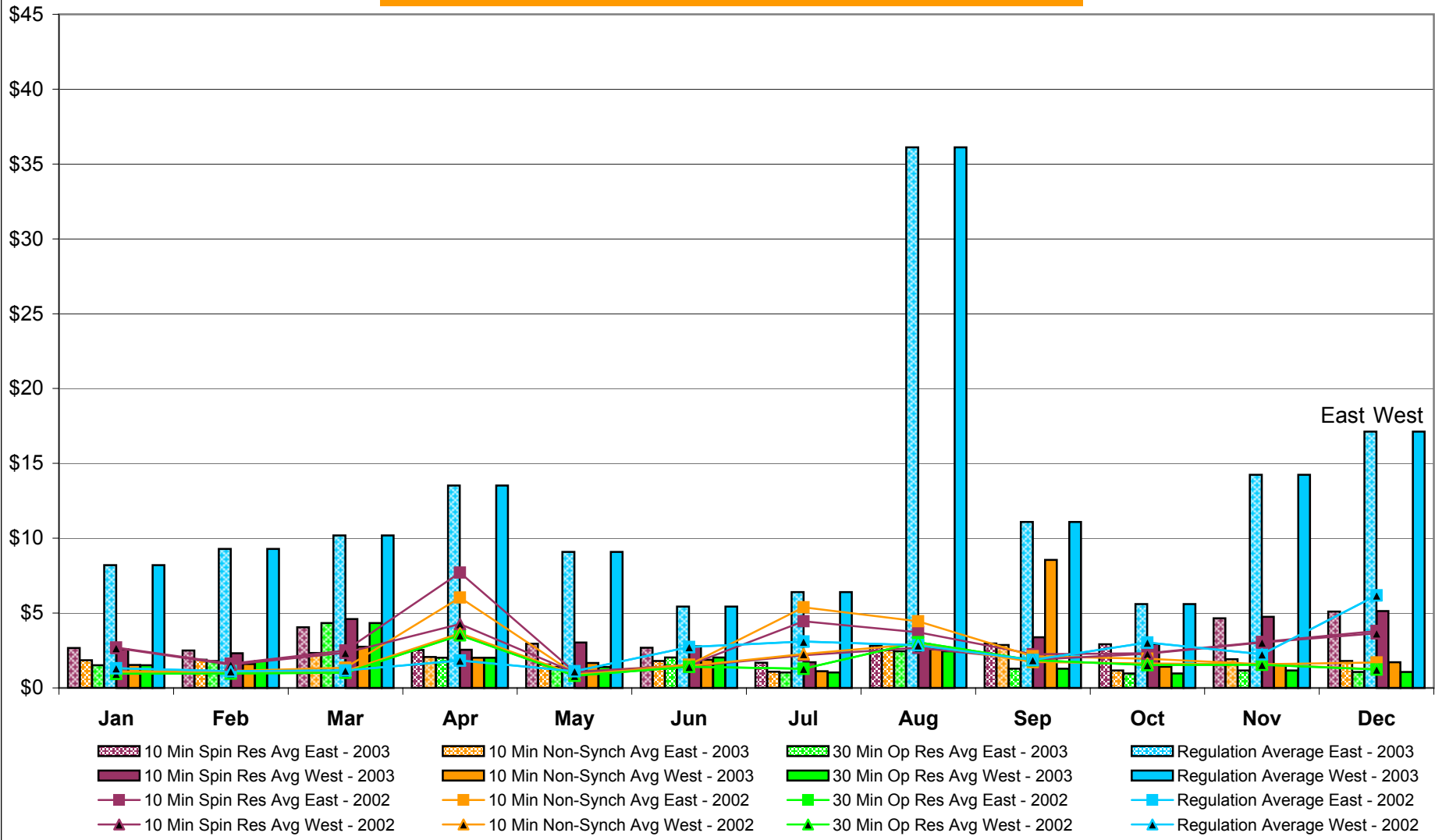
NYISO Multi Hour Block Transactions Monthly Total MWh



NYISO Monthly Average Ancillary Service Prices Day Ahead Market 2002 - 2003



NYISO Monthly Average Ancillary Service Prices BME * 2002 - 2003



* Commonly referred to as Hour Ahead Market (HAM)

NYISO Markets Ancillary Services Statistics

January February March April May June July August September October November December

ANCILLARY SERVICES Unweighted Price (\$/MWH) 2003

Day Ahead Market

10 Min Spin East	8.78	5.24	7.33	4.60	8.24	4.12	2.18	2.28	2.01	1.17	2.39	2.89
10 Min Spin West	8.30	5.17	7.12	4.45	8.12	4.11	2.18	2.18	2.00	1.17	2.37	2.81
10 Min Non Synch East	1.22	1.36	1.60	1.61	1.48	1.40	1.09	0.76	0.58	0.52	0.41	0.38
10 Min Non Synch West	1.15	1.32	1.45	1.54	1.45	1.39	1.09	0.72	0.58	0.52	0.40	0.32
30 Min East	1.14	1.30	1.41	1.48	1.42	1.35	0.97	0.69	0.56	0.48	0.40	0.32
30 Min West	1.14	1.30	1.41	1.48	1.42	1.35	0.97	0.69	0.56	0.48	0.40	0.32
Regulation East	23.17	25.39	33.31	24.70	43.82	27.33	19.67	20.17	27.06	37.74	35.07	22.43
Regulation West	23.17	25.39	33.31	24.70	43.82	27.33	19.67	20.17	27.06	37.74	35.07	22.43

BME* Market

10 Min Spin East	2.67	2.50	4.05	2.54	2.95	2.69	1.69	2.82	2.96	2.92	4.65	5.11
10 Min Spin West	2.59	2.32	4.61	2.55	3.04	2.78	1.72	2.91	3.38	2.94	4.76	5.13
10 Min Non Synch East	1.85	1.89	2.34	2.07	1.57	1.80	1.09	2.53	2.87	1.17	1.92	1.80
10 Min Non Synch West	1.53	1.59	2.75	2.02	1.67	1.88	1.11	2.58	8.55	1.41	1.57	1.71
30 Min East	1.52	1.80	4.34	2.02	1.40	2.03	1.04	2.46	1.28	0.97	1.17	1.07
30 Min West	1.52	1.80	4.34	2.02	1.40	2.03	1.04	2.46	1.28	0.97	1.17	1.07
Regulation East	8.21	9.28	10.19	13.52	9.08	5.44	6.41	36.11	11.09	5.60	14.24	17.12
Regulation West	8.21	9.28	10.19	13.52	9.08	5.44	6.41	36.11	11.09	5.60	14.24	17.12

ANCILLARY SERVICES Unweighted Price (\$/MWH) 2002

Day Ahead Market

10 Min Spin East	2.09	1.95	2.85	2.29	1.93	1.90	2.51	3.43	2.04	2.43	4.42	8.52
10 Min Spin West	1.85	1.81	2.40	2.11	1.81	1.75	2.16	2.96	1.74	2.26	4.41	8.52
10 Min Non Synch East	1.68	1.58	1.64	1.55	1.52	1.46	1.47	2.09	1.46	1.37	1.15	1.16
10 Min Non Synch West	1.34	1.36	1.39	1.40	1.34	1.32	1.35	1.96	1.27	1.33	1.15	1.16
30 Min East	1.09	1.11	1.13	1.19	1.20	1.17	1.24	1.90	1.09	1.32	1.15	1.16
30 Min West	1.09	1.11	1.13	1.19	1.20	1.17	1.24	1.90	1.09	1.32	1.15	1.16
Regulation East	14.90	13.83	12.59	12.33	18.78	20.92	20.85	21.31	24.10	20.27	20.51	22.80
Regulation West	14.90	13.83	12.59	12.33	18.78	20.92	20.85	21.31	24.10	20.27	20.51	22.80

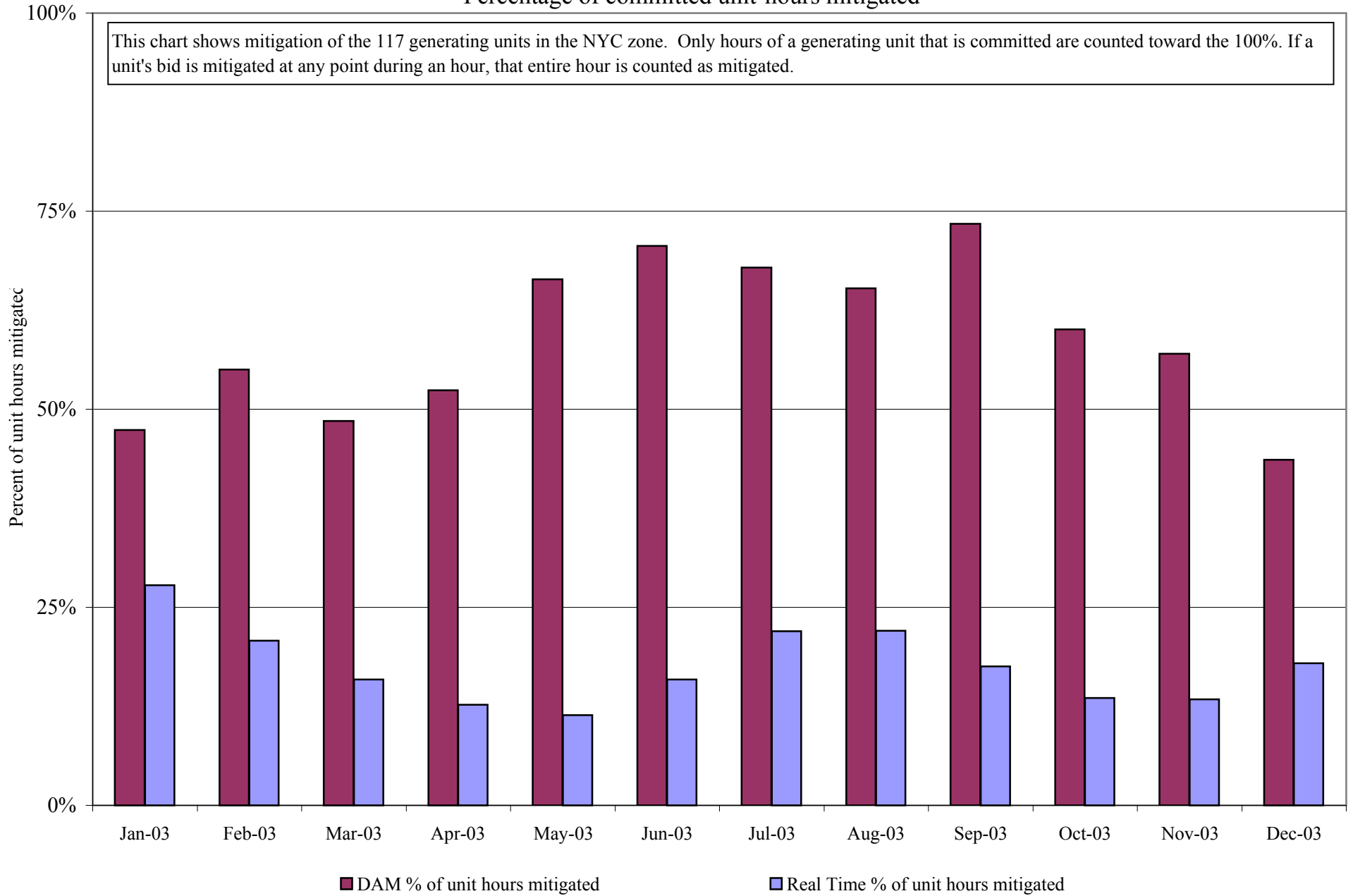
BME* Market

10 Min Spin East	2.70	1.62	2.51	7.71	1.06	1.53	4.45	3.71	2.25	2.32	3.07	3.81
10 Min Spin West	2.67	1.55	2.34	4.26	1.03	1.43	2.19	2.69	1.88	2.29	3.04	3.66
10 Min Non Synch East	1.11	1.13	1.35	6.03	0.94	1.56	5.38	4.45	2.12	1.96	1.58	1.70
10 Min Non Synch West	0.99	1.05	1.12	3.65	0.91	1.46	2.27	2.94	1.74	1.63	1.58	1.26
30 Min East	0.95	0.97	1.01	3.54	0.82	1.41	1.28	3.05	1.85	1.54	1.55	1.24
30 Min West	0.95	0.97	1.01	3.51	0.82	1.41	1.28	3.05	1.85	1.54	1.55	1.24
Regulation East	1.32	1.12	1.17	1.84	1.12	2.73	3.11	2.85	1.86	3.03	2.25	6.18
Regulation West	1.32	1.12	1.17	1.84	1.12	2.73	3.11	2.85	1.86	3.03	2.25	6.18

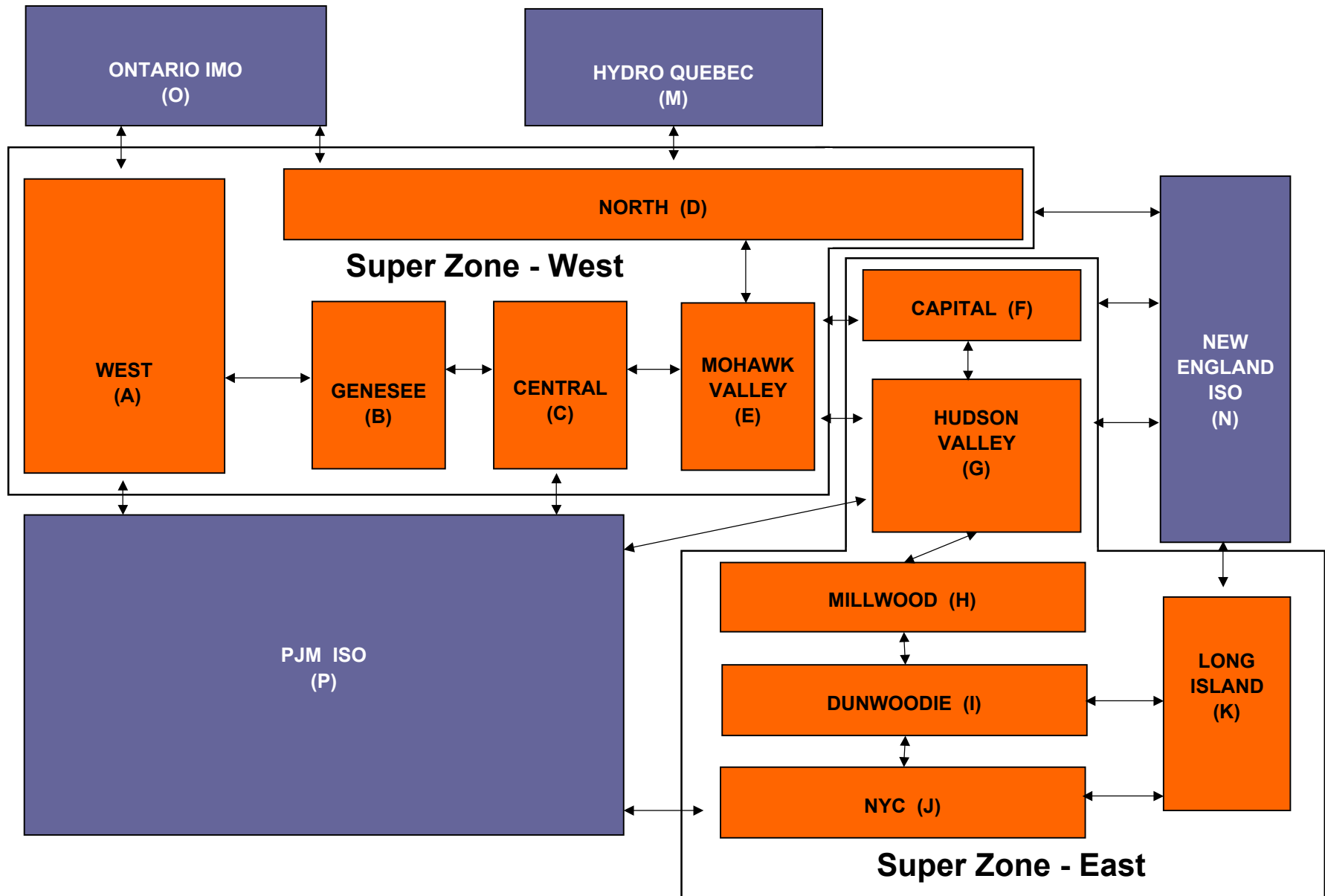
* Commonly Referred to as Hour Ahead Market (HAM)

NYISO In City Mitigation (NYC Zone) - 2003

Percentage of committed unit-hours mitigated



NYISO LBMP ZONES



FERC Interconnection Order NYISO Compliance Filing Status Update

By
Garry Brown

MC Conference Call
January 7, 2004

Status Update: For Information Only

- There will be no discussion of the substantive issues at today's Management Committee meeting
- Interested parties should plan to participate in the January 8th TPAS meeting where the final review of the NYISO compliance filing documents will take place
- Alternatively, written comments may be submitted to the NYISO by January 8th

TPAS/IITF Process to Date

- NYISO proposed a process for development of the Compliance Filing
- NYISO Staff presented its position on key issues
- NYISO has provided three draft red-lines of the Interconnection Agreement and Interconnection Procedures reflecting stakeholder input
- NYISO provided drafts of “major filing letter issues”
- Detailed reviews were conducted by TPAS/IITF on all NYISO documents
 - *Oct 28th, Nov 13th, Dec 1st, Dec 18th*
 - *Extensive comments have been provided by MPs*
- Sector meetings have been held with generators & TOs

NYISO Approach to Compliance Filing

- **Adopt “pro-forma” language in general, except:**
 - *Where legitimate “regional differences” exist*
 - *Modify to conform to NYISO practices*
 - *Modify to conform to NYISO OATT definitions/terminology*
- **Refrain from addressing issues raised on rehearing by various parties**
 - *(FERC has directed Compliance Filings while action is pending on rehearing issues)*
- **Retain “Attachment S” Class Year and Cost Allocation procedures**
- **Retain existing NYISO Minimum Interconnection Standard**

NYISO Approach to Compliance Filing (Cont'd)

- **Adopt Pro-forma study sequence**
 - *Feasibility Study*
 - *System Impact Study (Incorporate NYISO SRIS)*
 - *Facilities Study (Incorporate NYISO Attachment S)*
 - *Optional Study*
- **Adopt Three-Party Interconnection Agreement**
- **Identify the respective roles and responsibilities of the NYISO and Transmission Owners**
 - *NYISO is responsible for administering of the interconnection process, (including studies and cost allocation)*
 - *TOs are responsible for implementation (including equipment procurement and construction of upgrade facilities)*

Apparent Consensus on Major Issues

➤ Scope of NYISO's Compliance Filing

- *Applicable to all transmission interconnections in NY*
- *Distribution interconnections to be addressed later*

➤ Interconnection Product ("Deliverability")

- *Filing will include current MIS requirement*
- *Filing letter will indicate that NYISO will perform a study to analyze the impact of including a deliverability product in NY*

Apparent Consensus on Major Issues (Cont'd)

➤ Merchant Transmission

- *Include MT in the Interconnection Procedures but not IA*
- *Filing letter will indicate that NYISO will work with its stakeholders to modify the standard IA as needed for MT*

➤ Attachment S

- *Retain existing Attachment S process in Compliance Filing*
- *Make conforming changes as needed (e.g. – 115kv)*
- *Filing letter to acknowledge that improvements are under development within the NYISO stakeholder process*

Outstanding Issues

The following issues are still under discussion:

- **Joint/Separate Compliance Filings**
 - *NYISO & TOs*
- **TOs' Filing Rights**
 - *Interconnection process in general*
 - *Filing of an unexecuted IA in the event of a dispute*
- **IA "Article 5" Issues, including:**
 - *Construction Options*
 - *Liquidated damages*
 - *Reasonable efforts/comparability requirement*
 - *Access rights*
 - *Reporting of construction & budget progress*

Schedule

- Wk of Dec 29 NYISO Posted Revised IA, IP & drafts of “major filing letter issues”
- Jan 7 MC Meeting
- Status update
- Jan 8 TPAS/IITF Meeting
- Final comments due
- Jan 20 Filing date