



Monthly Report

October 2004

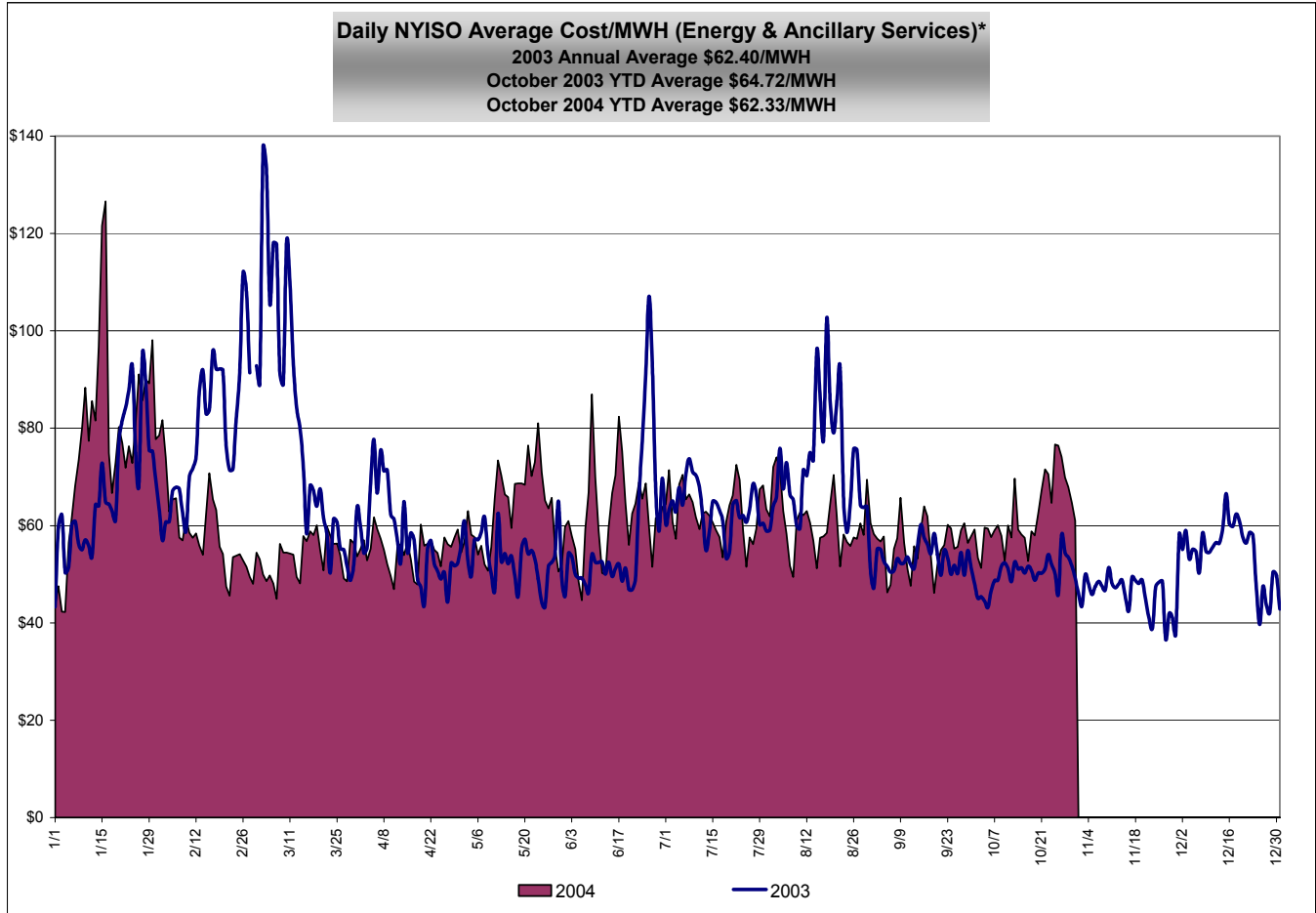
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1. Executive Summary

Higher fuel prices resulted in higher LBMPs and an increase in the monthly average cost for energy from \$56.42/MWh in September to \$61.54 in October.



All fuel prices increased in October, with kerosene and No. 2 fuel oil continuing to rise towards historic highs, reaching \$11.72/mmBTU and \$10.62/mmBTU respectively.

SMD2 is on track for a December 1, 2004, deployment. Progress continued on testing, training, and departmental readiness activities included in the SMD2 Readiness Plan. The departmental readiness plans address business owner (user acceptance) testing, internal process and procedure development and checkout, staff training, SAS70 compliance considerations, as well as other department specific readiness items. A final Market Trial exercise was conducted on October 13 and 14, 2004, and exercise results were reviewed with Market Participants ("MP") on October 29, 2004. The Market Participant "SMD2 Issues List" was continuously updated and open issues were addressed in working group sessions. The NYISO also responded to a list of MP Test Scenario requests that had been submitted earlier in the year, and provided confirmation that the requested test scenarios were successfully executed. The draft SMD2 Accounting and Billing Manual was distributed to Market Participants for review and the SMD2 Cut-over/Fall-back plan was completed. SMD2 Settlements training and detailed reviews of the Cut-over/Fall-Back plan are scheduled for early November.

The primary focus of the proposed 2005 Budget is to resolve Billing Issues, implement projects and activities designed to mitigate risk, and to continue evaluation of the facility consolidation and implementation of security upgrades at NYISO facilities. The proposed 2005 Projects Plan supports critical infrastructure, business process and automation needs.

The Final Report resulting from the NYISO's Initial Planning Process was approved by the Management Committee ("MC") in October. This comprehensive reliability analysis demonstrated that the New York bulk power system meets applicable resource adequacy and transmission reliability criteria for the base case scenario over a 10-year planning horizon. Risks were identified under certain alternative scenarios. The methodology utilized for the Initial Planning Report will serve as the basis for the first Comprehensive Reliability Planning Process that, pending FERC approval, is expected to begin in early 2005.

During October, the NYISO completed its verification of the Historic Shortfall reimbursements due to Transmission Owners as part of the TCC Settlement. For each Transmission Owner, this was calculated as the amount by which its excess Congestion Rent Shortfall was greater than its excess TCC auction revenues during the Historic Periods. The cumulative Historic Shortfall to be reimbursed to Transmission Owners for the Historic Periods, including interest, was \$11,889,605. The NYISO Working Capital Fund will be used to make these refunds in early November.

2. System Operations

Management Summary

Peak load for the month was 20,775 MW on Tuesday, October 19. There was one Major Emergency ("ME") during the month. The ME was declared on October 23, 2004 at 03:51 when the Central East interface exceeded the Voltage Transfer Limit by 105% for the loss of the 99 Bus at New Scotland. The cause of the violation was the outage of the 14 Edic-New Scotland 345kv line. The ME terminated at 03:53. Alert states were declared on ten occasions, with seven attributable to system frequency excursions. There were 20 occasions when reserve energy was activated during October with 17 activations due to large control area errors and one due to activation of shared reserves. CPS1 was 163% and CPS2 was 96.8%. There were no reportable events. The Operator simulator (ISS) system is still being finalized and readied for operator training. The (Go-Live) build was deployed to the ISS on 10/29. During The past couple of weeks, the ISS functioned fairly well and we were able to conduct Operator training. We ran many scenarios that the training staff has developed and reviewed some previous SMD display training. Training is improving with a more functional ISS, but additional revisions are still needed.

The primary focus of Operations Engineering work related to the Blackout compliance with NERC-BOT recommendation 8a. Staff forwarded the NERC template to the 11 Transmission Protection System Owners (TPSOs) in the NYCA, to be completed and returned to NYISO by December 15 (several reports were completed and returned during the month). The SOAS has established a group of Transmission Owner ("TO") contacts to provide the reporting for Recommendation 4b (vegetation) beginning November 1, 2004. Responsibility has been assigned to the NYISO Short-Term Reliability group to gather the data and forward appropriate reports to NPCC. Staff has completed dynamic simulation for the addition of 3% series reactors with a test level of about 4800MW on the Sprain Brook/Dunwoodie-South interface. A draft report regarding this analysis will be available for review early in November. Additionally, staff has set up the initial base case for the voltage analysis using the 2004 summer operating case, and updating model to represent the series reactors and anticipated shunt reactor configurations, and updated generator reactive capabilities. Staff reviewed VSS providers' test reports submitted during the month and provided summaries from NYISO real-time data for confirmation. Reports for 34 generators were reviewed and results forwarded to Grid Accounting. At the end of the month, there were over 50 reactive capability tests received during the last week that remained to be processed. NOAA/SEC reported five $K_p=5$ events during the month; there were no actual observations of $K_p=5$ or greater during the period. During the month, eight events resulted in excursions of more than 30 MHz or a loss of greater than 1,000 MW.

Market Operations and Power System Operations continue testing with the SMD2 hardware platform that Operations controls for implementation of the ISO state estimator function and other operational tools. Several RANGER systems are also being used for Market Operations testing of the BMS functionality. Market Operations has determined the requirements needed for completion prior to having the SMD2 system "Go-Live". These include BMS functional testing, Network Model database validation, conversion of daily processes and procedures, and state estimator requirements. Market Operations staff continues work on the SMD2 Common Information Model network data and the database load process on the RANGER system. Weekly meetings are conducted to discuss and prioritize SMD2 network modeling data work with representatives from Market Operations, Power System Operations, Dispatcher Training, and Information Services. Staff continues to support LECG and internal efforts related to TCC Market improvements to implement Day-Ahead Market shortfall allocations caused by transmission facility outages. Staff provided initial SCUC support in evaluating a new methodology. This methodology requires significant manual data adjustments to obtain the required results for LECG.

Staff worked with PJM, Con Edison, and PSEG staff to develop the joint ISO operating protocol to address the Con Edison-PSEG ("CE-PS") transmission wheel in response to FERC's order. The operating protocol objectives are to promote efficient regional operation for both PJM and NYISO with respect to re-dispatch decisions that the CE-PS wheel affects and to provide the marketplace at large with a highly transparent means to address joint ISO market operation of the CE-PS wheel.

In September, Scheduling staff processed 386 requests for generating unit DMNC testing and unit maintenance outages, confirmed 2,592 external control area transactions in the Day-Ahead Market checkout, and scheduled 832 NYS transmission facility maintenance outages.

The following table shows the number of reserve activations and the number that did not result in crossing zero, and the number of alert states in the current and past two years.

	2002			2003			2004		
	No. of Reserve Activations	No. of Alert States	Non-Zero Crossing	No. of Reserve Activations	No. of Alert States	Non-Zero Crossing	No. of Reserve Activations	No. of Alert States	Non-Zero Crossing
January	5	9	0	30	24	10	36	21	6
February	20	24	3	23	21	5	15	7	3
March	24	31	6	24	10	7	25	24	2
April	25	25	9	16	24	2	17	9	1
May	11	19	2	10	13	2	29	15	4
June	13	14	3	15	12	2	24	8	5
July	66	33	41	12	18	1	14	13	1
August	25	10	12	24	22	4	13	9	1
September	23	20	9	12	6	0	18	13	1
October	28	24	11	25	21	3	20	10	2
November	25	26	4	17	12	3			
December	32	27	8	40	16	4			
Totals	297	262	108	248	199	43	211	129	26

Attachments

Attachment 2-A, NERC Control Performance Standard

3. Market Services

Management Summary

Customer Relations:

During the month of October, three new customers were added, making the total number of NYISO Customers 241.

As part of our effort to support our Customers, the NYISO is tracking responsiveness to inquiries. For 2004, the Customer Relations goal has been set at 95%. For September, the Customer Resolution Survey was sent out with 56 answers to Customers' inquiries, one response was received. Therefore, a 98.2% rate was achieved for the month. (See attached graph.)

Another of Customer Relations' goals is to trend the backlog of open inquiries. Included is a graph of open and closed tracking tickets, a graph that shows the length of time that tickets have been open, and a graph that shows the number of days that inquiries have been open as of the end of October.

During the month, Customer Relations continued meeting with Customer organizations as part of efforts to learn more about our Customers' businesses and their objectives for interactions with the NYISO. Six Customer visits took place in October.

Customer Technical Services:

◆ Market Services – Communications to Market Participants:

This month's significant communications to MPs included announcement of:

1. the sixth and seventh SMD2 market trial exercises, including review sessions and updated versions of the SMD2 Market Participant Issues Summary list;
2. notification for a two-day Billing and Accounting Workshop focused on SMD2 market and settlements issues, the final NYMOC of 2004, and an SMD2 Technical Conference;
3. deployment enhancements to the OASIS page on the NYISO website and a NYISO Bulletin detailing the enhancements;
4. an invitation to the Fall Economic Outlook Conference organized by the Load Forecasting Group;
5. the initial meeting of the Billing Issues Resolution Team, which has been formed to discuss issues associated with the NYISO Settlement Process as it relates to the final-bill close-out process;
6. a teleconference discussing the status of the TCC Settlement and a summary document describing the reimbursement of historic shortfalls attributable to TCC oversales;
7. a request for topics for the Committee Sector meetings;
8. the release of the October 29th issue of the NYISO Market Participant newsletter the *Insider*; and
9. the release of Section 13 of ICAP Automation Users' Guide, containing the upload/download templates that will be used for ICAP automation.

Revised Technical Bulletin 64 describing the transition from daylight savings to standard time and the 25-hour bidding day was distributed to Market Participants.

◆ Committee and Working Group Participation:

CTS staff participated in the Issue Management Committee (IMC), the Issue Resolution Team (IRT), and the Committee Coordination Team (CCT).

CTS participated in the Market Structures Working Group, the Scheduling & Pricing Working Group, and the Generator Issues Task Force.

- ◆ Technical Documentation and the Guide to Market Rules:

CTS drafted a Technical Bulletin on the use of upper operating limits in SMD for internal review. CTS began drafting a new Technical Bulletin on transmission losses under SMD2.

CTS continued work on the ICAP Market Automation User's Guide.

CTS attended a class on XML applications in Documentum and a Documentum User's Conference in Montreal.

- ◆ Surveys and Business Intelligence:

CTS completed and issued two separate web traffic reports – a weekly analysis posted on our intranet site, and a monthly, in-depth analysis.

CTS staff deployed the annual Fall Customer Opinion Survey with NYISO managers and Opinion Dynamics Corporation; preliminary results should be available in mid-November.

CTS staff developed and deployed a custom survey on the regulatory impacts on generating units that may result from implementation of the Acid Deposition Reduction Programs (RGGI). This survey was sent to approximately 40 generators and surveyed over 300 distinct units with each survey being tailored to the generation units of each specific owner.

- ◆ Research and Development Activities:

CTS presented a paper on multiple region dispatch options at the IEEE – PSCE in NYC.

CTS presented VRD and VRD with multiple interfaces to the NSF in Washington, D.C.

The R&D steering team met to prioritize projects proposed to Power Systems Engineering Research Center.

CTS led NYISO efforts in developing combined cycling modeling.

Product Development ("PD")

Market Issues

PD is coordinating the Renewable Portfolio Standard market impact study effort of Potomac Economics. The ongoing GE Phase II wind study tasks associated with market impact will be folded into Potomac's effort.

PD staff (Lawrence, Charlton) along with several other NYISO staff met with the Alberta Electricity System Operator to provide an overview of the NY markets.

Environmental Issues

PD staff (Lawrence, Breidenbaugh) met with NYSERDA and PSC staff to discuss details of RPS implementation plan; NYISO will participate on a regular basis.

PD staff along with other NYISO personnel met with representatives of the American Wind Energy Association to discuss other regional experience with wind power integration, including the approach taken by CAISO to schedule wind in the spot market.

PD staff worked with PJM and ISO-NE representatives on the Regional Greenhouse Gas Initiative (RGGI) stakeholder process to develop a one-day workshop on electricity market operation as impacted by the RGGI process, to be held on November 30, 2004 in NYC.

Seams Issues

In coordination with PJM and ISO-NE, NYISO finalized the quarterly seams report prepared for FERC (Lawrence).

PD is reviewing the current proposals for resource adequacy being developed by PJM and ISO-NE.

Demand Response Programs

PD staff (Breidenbaugh) participated in the Metcogen conference on distributed generation opportunities held in NYC.

Breidenbaugh also represented the NYISO at the International Energy Agency/Demand Side Management meeting in Atlanta.

PD staff (Lawrence, Bridenbaugh, Goepf) developing cost/benefit analysis section for December 1 FERC filing on demand response program performance.

SMD2

PD staff (Lemme) addressed the Market Participant Test Scenarios obligation with a presentation at the Oct. 29 MSWG meeting. Disposition of this item was identified as one of the gating items required for MP Go-Live approval.

Worked with CDAS and SOAS to identify and address open operations issues with respect to SMD2. A meeting is scheduled for November 3, 2004 to address all outstanding issues.

Resource Adequacy/ICAP

PD staff (Charlton) worked with Legal to develop an ICAP Demand Curve summary document for a BOD decision in November.

Charlton made three presentations on resource adequacy (demand curve, centralized procurement, locational requirements) at a conference sponsored by the California Public Utility Commission, Electricity Oversight Board, and the CAISO.

Resource Adequacy

Resource Reliability:

Staff completed the November 2004 monthly ICAP and Spot Market Auctions. An enhancement to the UCAP Automation project was identified which unless implemented will severely limit the usefulness of the application. The UCAP Automation project team is analyzing the effort required to implement and the impact on the project schedule. Staff continues its user acceptance testing of the application. MP were provided with the UCAP application upload/download templates. An initial report of the Bearing Point review of the manual ICAP processes is under review.

Transmission Congestion Contracts:

Staff completed the November Reconfiguration Auction and the remaining rounds of the Autumn 2004 TCC Auction. Staff is developing procedures to implement the recommendations from Bearing Point of the TCC market process flows. The TOs were provided their net shortfalls due to the over-sale of TCCs. Distributions to the TOs for these net shortfalls will be made in the November invoice.

Look Ahead

Customer Technical Services:

CTS will release new Technical Bulletins regarding the use of UOLs in SMD2, the setting of qualified to bid flags under SMD2, transmission losses under SMD2, and reconciling prices in the DSS to Web postings. CTS will begin posting Technical Bulletins that have been revised for RTS.

CTS will continue to provide documentation for the UCAP Automation project.

CTS will release a revised version of the WBR Users' Guide.

CTS will take minutes at the November BIC and attend the CCT, IMC, and IRT.

CTS will begin analysis of the Fall 2004 survey results and prepare to present findings internally in December.

CTS will examine the need for, and prepare if necessary, the November Measuring Customer Satisfaction Survey.

CTS will deliver findings on the Acid Deposition Reduction (RGGI) survey and the *Insider* Survey.

CTS will prepare Purchase Order for EPRI – Market Simulation with Autonomous Agents.

CTS will begin white paper on TCC Options.

Product Development

Staff will:

- participate in the Nov. 30th RGGI workshop on Northeast electricity markets
- support final documents related to demand curve BOD appeals process slated for November
- attend IRC Markets Committee meeting on Nov. 1-2, 2004 and
- organize a Deployment Technical Conference (planned for November 19, 2004) and publish an SMD2 Deployment Guide for MPs.

Resource Reliability

Resource Reliability:

Complete the regular monthly ICAP auctions for December, including the Spot Market Auction. Continue working with the UCAP Automation project vendor and NYISO Quality Assurance Department to test the UCAP automation application.

Transmission Congestion Contracts:

Complete the December Reconfiguration Auction. Work with LECG and Operations to test a revised process to allocate DAM congestion shortfalls to Transmission Owners for transmission facility outages. Return to the development of the TCC Market manual. Implement all of the Bearing Point recommendations included in their review of the TCC auction processes by year-end.

Attachments

- Attachment 3-A, Customer Resolution Survey
- Attachment 3-B, Tickets Open, Tickets Closed as of End of October 2004
- Attachment 3-C, Open Tickets by Month 2004
- Attachment 3-D, Number of Tickets Open by Days October 2004

4. Corporate and Market Risk Management

Management Summary

Risk Assessment:

The Enterprise Risk Management (ERM) department continued to provide reports to the CEO and Board Audit and Compliance Committee. Staff continued the process of monthly risk assessment reports and prepared accompanying recommendations. The ERM Committee met in October to review the progress of the program, assess the risk exposure, and measure the effectiveness of mitigation efforts. The quarterly risk assessment was provided to the NYISO Board Audit and Compliance Committee. Staff provided an overview of the NYISO's ERM program to the Department of Energy. The October renewal of insurance policies for the coming year is complete and work is underway for December policy renewals.

NAESB Issues

NAESB posted the final draft of the NAESB Version 0 Business Practices on October 25, 2004. These standards were identified as being the business practices of NERC's Version 0 reliability standards development effort:

- Area Control Error (ACE) Equation Special Cases
- Inadvertent Interchange Business Practice
- Time Error Correction Business Practice
- Coordinate Interchange Business Practice
- Transmission Loading Relief Business Practice

NAESB posted two proposed business standards related to OASIS 1A Enhancements:

- Multiple Requests - to provide a mechanism by which transmission providers can mitigate problems associated with Denial of Service attacks or grossly inefficient use of OASIS. The particular cases addressed by this standard are Denial of Service, Queue Flooding, and Queue Hoarding.
- Redirects, the "redirection" of transmission service - addresses the provisions of Section 22 in the FERC Pro Forma Open Access Transmission Tariff related to the modification of Points of Receipt and/or Delivery for Firm Point-to-Point Transmission Service.

These standards do not directly affect NYISO's OASIS, MIS, or business practices.

NAESB's Wholesale Electric Quadrant Members held a Meeting on October 21-22, 2004, at the FERC to review WEQ Segment and Sub-segment Organization. During that meeting there was discussion of creating new seats for which ISOs and RTOs, among other industry groups, would be eligible. In a formal letter to the NAESB Board, the ISO/RTO Council reaffirmed its commitment to the three-way MOU and stated that IRC members did not seek full voting membership.

NERC Standards Development and Review

NYISO coordinated consensus positions and comments with the various industry groups and submitted its own comments to the second draft of NERC's Version 0 standards. Assigning existing Reliability Coordinator requirements to the Reliability Authority function was one of the major concerns to industry participants, with concerns on delegation of authority.

In developing the third and final draft of the Version 0 standards, the standards drafting team adopted the NERC Board's recommendations, which were strongly supported by industry comments

NYISO coordinated consensus positions and comments with the various industry groups on NERC's first draft of the *Cyber Security Standard 1300*, posted for comment until November 1. This standard is proposed to replace the current urgent action Cyber Security Standard, which is set to expire in August 2005.

NYISO prepared and submitted comments to Version 2 of NERC's *Balancing Authority Certification Standard 1600*. NYISO participated in developing consensus positions and comments with the various industry groups. This standard defines the requirements that apply to entities that apply to be recognized as a Balancing Authority for performing the responsibilities assigned to the Balancing Authority function as defined in NERC's Functional Model.

Internal Audit:

During October, audit reports were issued for:

- Cash Management
- ICAP Commitment and Monitoring
- Reliability Cost Allocation – account accuracy

Draft reports and/or report reviews were in progress for:

- Code of Conduct
- Follow-Up – Customer Settlements
- Follow-Up – Market Monitoring
- IT – External Penetration
- KPMG Billing Issues Recommendations
- Price Validation

Fieldwork and/or planning were in process for reviews of:

- Enterprise Risk Management
- ICAP Market
- Issues Management
- IT – COSO Alignment
- IT – Remote Security
- IT – Security – UNIX
- IT – Security – NT / Windows 2000
- LBMP
- Legal – COSO Alignment
- Manual Billing Adjustments
- Monthly Billing
- Oracle Financials
- Post-Implementation – E-Tagging
- Power Systems Operator Training / Simulator
- Virtual Bidding

The January through December 2004 SAS 70 Type 2 audit scope period is underway, all subject to review by KPMG, the SAS 70 external auditors.

Monitoring of Year 2004 Corporate Incentive Goals continued during October.

Market Monitoring:

- Market Review for October 2004:

The NYISO Day Ahead and Real Time LBMPs, and Average Cost are up this month despite lower loads because of increases in fuel prices. In particular, Kerosene and No 2. Fuel Oil prices continue to climb. Ancillary prices are up, with the largest increase coming in the 10 minute Spinning Reserves market. This is due to recent maintenance outages and increasing fuel costs.

Prices:

The October 2004 Average Monthly MWh cost was \$62.51/MWh, up from \$56.42/MWh last month. The Year-to-Date (YTD) Average Cost of \$62.33/MWh in October 2004 is lower than the October 2003 YTD price of \$64.72 (Attachment 4, Table 4-B).

Energy prices in the NYCA increased in the Real-Time (RT) and Day-Ahead markets (DAM) from September 2004 to October 2004 while Balancing Market Evaluation (BME) prices decreased. Compared to October 2003, energy prices increased in all markets. The load weighted average DAM price increased from \$50.78/MWh in September 2004 to \$56.93/MWh in October 2004, an increase of 12.1%. The load-weighted RT price increased from \$53.06/MWh in September 2004 to \$55.57/MWh in October 2004, an increase of 4.7%. (Table 4.1 below and Attachment 4, Table 4-E).

Table 4.1 Monthly Price Summary

	October 2004		
	DAM LBMP	HAM LBMP	RT LBMP
Price	\$55.32/MWh	\$57.59/MWh	\$54.00/MWh
Standard Deviation	\$12.89/MWh	\$16.11/MWh	\$17.42/MWh
Load-weighted Price	\$56.93/MWh	\$59.27/MWh	\$55.57/MWh
Percent change over September 2004	+12.1%	- 2.4%	+ 4.7%
Percent change over October 2003	+20.3%	+17.6%	+ 11.2%

Uplift increased this month from \$33,579,658 in September 2004 to \$35,021,430 in October 2004. Although many of the categories have changed from last month, the largest changes come from Local Reliability DAM and Bid Production Cost Guarantee DAM (Attachment 4, Chart 4-C).

Transactions:

Most energy transactions were either bilaterals (45% this month, up from 44% last month) or LBMP purchases (53% this month, down from 54% last month). The percentage of DAM transactions increased from 97.6% in September 2004 to 99.4% in October 2004 (Attachment 4, Table 4-D).

Sendout:

The October 2004 sendout was 12,497 GWh. The October 2004 average daily sendout of 403 GWh/day was lower than the September 2004 daily average sendout of 447 GWh/day (Table 4.2 below). The October 2004 Monthly Peak of 20,773 MW was lower than the September 2004 Monthly Peak of 25,274 MW (Table 4.2 below).

Table 4.2 Monthly Summary Comparisons

	October 2004	September 2004	August 2004	July 2004	June 2004
Monthly Peak (Hourly Load): MW	20,773	25,274	27,711	27,779	28,433
Average Daily Sendout: GWh	403	447	485	481	451
Percent change over the previous year	+1.5%	+3.2%	-2.6%	-3.2%	+4.4%
Monthly Sendout: GWh	12,497	13,424	15,045	14,910	13,535

Fuel Costs:

Fuel prices were uniformly up both relative to last month and to October of last year. No. 6 Fuel Oil, Natural Gas, No. 2 Fuel Oil and Kerosene increased 24.1%, 21.6%, 19.1% and 13.9% respectively relative to September 2004.

All fuel prices are higher relative to prices in October 2003. Kerosene has the largest price increase relative to October 2003 (an increase of 84.1%), followed by No. 2 Fuel Oil, No. 6 Fuel Oil, and Natural Gas (increases of 80.5%, 31.4%, and 30.4% respectively). All fuel prices are stated in \$/MMBtu (Table 4.3 below).

Table 4.3 Summary of Fuel Costs for October 2004

	No. 6 Fuel Oil	Natural Gas	No. 2 Fuel Oil	Kerosene
Price:\$/MMBtu	\$6.28	\$6.57	\$10.58	\$11.64
Change from September 2004	+24.1%	+21.6%	+19.1%	+13.9%
Change from October 2003	+31.4%	+30.4%	+80.5%	+84.1%

Ancillary Services:

DAM Ancillary prices are up this month. DAM 10 Min Spinning Reserves increased by 315.9% in the East and 317.6% in the West from September 2004 to October 2004 as prices increased from \$0.55 to \$2.28 in the East (and \$0.54 to \$2.27 in the West). On a year-to-year comparison, DAM 10 Min Spinning Reserves have increased 94.9% in the East and 94.4% (compared to October 2003). Other reserve prices increased less dramatically in the East and the West relative to September 2004 and decreased relative to October 2003.

DAM Regulation prices are up 14.1% this month compared to September 2004. Compared to October 2003, the DAM Regulation prices are down 13.8%. (Attachment 4, Chart 4-W and Table 4-X).

The increases in reserve prices are attributed primarily to generator maintenance outages in the fall, which decreased the number of generators able to provide ancillary services. Higher fuel prices may also be contributing to higher ancillary service prices, particularly for regulation and spin units. As some units become uneconomic in energy due to higher fuel costs, they are unable to provide spin or regulation.

- Price Reservations and Corrections:

The percentage of hours reserved increased this month, as did the percentage of intervals corrected. The percentage of hours reserved this month was 6.18%, up from 3.89% in September 2004. The percentage of intervals corrected increased from 0.38% in September 2004 to 0.49% this month. Both the percentage of hours reserved and the percentage of intervals corrected remain within historical norms. There were fourteen days without price corrections during September (Attachment 4, Table 4-Q and Chart 4-R).

- Investigation and Physical Audit:

During the month of October 2004, no investigations were requested, and no audits were conducted or completed. The table below presents the audits conducted by the investigation unit since inception.

Table 4.4 MMP Historical Audit Summaries

	2001	2002	2003	2004	Total
Topics					
Derates & Outages	1	16	7	9	33
Reporting Verifications		1	4	8	13
Parameter Verifications		1	4	10	15
Reserve Shutdowns			8		8
Scheduling			1		1
Other	0	0	0	1	1
Total	1	18	24	28	71
Business Type					
Generator	1	14	19	19	53
Transmission Owner		4	1	3	8
Load w/curtailment			4	6	10
Total	1	18	24	28	71

- Mitigations and Penalties:

The statewide DAM Automated Mitigation Procedure (AMP) did not arm this month; however, the In-City DAM AMP was triggered on 17 days in October 2004. Attachment 4, Chart 4-Y shows the levels of committed unit hours mitigated In-City. The percent of DAM unit hours mitigated increased from 10.4% in September to 12.0% in October. The percent of RT unit hours decreased from 21.9% in September to 17.1% in October.

In-City RT Mitigation applied in all days this month. There were no other mitigations during October 2004.

Look Ahead

Risk Assessment:

Renewing December insurance policies will be bound in late November or early December. Results of process and data reviews will be incorporated into a risk profile.

Market Monitoring:

MMP has issued a request for data on compliance with the new federal and state air regulations. Please respond by November 12.

MMP continues to prepare for SMD deployment. A priority activity is to complete all test scenarios and analyze mitigation to ensure correct operation. Results are being reviewed with the Market Advisor.

Attachments

- Attachment 4-A: Daily NYISO Average Cost/MWH (Energy & Ancillary Services)
- Attachment 4-B: NYISO Average Cost/MWH (Energy and Ancillary Services)
- Attachment 4-C: NYISO Dollar Flows – Uplift -OATT Schedule 1 components
- Attachment 4-D: NYISO Market Transactions
- Attachment 4-E: NYISO Markets 2003-2004 Energy Statistics
- Attachment 4-F: NYISO Monthly Average Internal LBMPs
- Attachment 4-G: Zonal Statistics for NYISO (\$/MWH)
- Attachment 4-H: West Zone A Monthly Average LBMP Prices 2003-2004
- Attachment 4-I: Capital Zone F Monthly Average LBMP Prices 2003-2004
- Attachment 4-J: Hudson Valley Zone G Monthly Average LBMP Prices 2003-2004
- Attachment 4-K: NYC Zone J Monthly Average LBMP Prices 2003-2004
- Attachment 4-L: Long Island Zone K Monthly Average LBMP Prices 2003-2004
- Attachment 4-M: DAM and RT Zonal Unweighted Monthly Average LBMP Components
- Attachment 4-N: External Comparison ISO-NE
- Attachment 4-O: External Comparison PJM
- Attachment 4-P: External Comparison Ontario IMO
- Attachment 4-Q: NYISO Price Correction Statistics
- Attachment 4-R: Percentage of Real-Time Corrections
- Attachment 4-S: NYISO Virtual Trading Average MWh per day
- Attachment 4-T: Virtual Load and Supply Zonal Statistics
- Attachment 4-U: NYISO Multi-Hour Block Transactions Monthly Total MWh
- Attachment 4-V: NYISO Monthly Average Ancillary Service Prices, DAM 2003-2004
- Attachment 4-W: NYISO Monthly Average Ancillary Service Prices, BME 2003-2004
- Attachment 4-X: NYISO Markets 2003-2004 Ancillary Service Statistics
- Attachment 4-Y: NYISO In-City Mitigation (NYC Zone) 2003-2004 Percentage of committed unit-hours mitigated
- Attachment 4-Z: NYISO Average Daily Load Bid Summary
- Attachment 4-AA: NYISO LBMP Zone Map with Super-zones
- Attachment 4-AB: 2004 Corporate Goals and Objectives

5. Strategic Development

Management Summary

Business Planning

- ◆ Business Plan and Incentive Goals:

The 2004 Business Plan and Incentive Goals are being implemented and monitored, with progress reports going quarterly to Senior Management. Development of the 2005 Update to the Strategic Plan/Business Plan is underway. The Senior Management Strategic Committee ("SMSC") is engaged in providing guidance on the development of the plan and incentive goals. 2005 Incentive Goals were provided to the BOD BIC for review and comment in October.

- ◆ Strategic Plan:

The Five-Year Strategic Plan is being implemented and monitoring and analysis of 2004 activities is continuing. The SMSC is planning implementation of 2005 activities.

Preparation for 2005-2006 Statewide IRM Study

At the October Executive Committee (EC) meeting, the Chairman of the Installed Capacity Subcommittee (ICS) presented a summary of a comparison of the 2005 Study results with the 2004 Study results. The summary highlighted the impact of the key study assumptions approved by the EC at the August 2004 meeting. The base case for 2005 is 17.6%, .5% above 2004. The largest single assumption impacts were DMNC Unavailability (+2.3%), and EFORd (-1.0%). The "White Paper" provided by the NYISO in August, 2004 describes the derivation of the 711Mw DMNC adjustment in the MARS capacity model. It is hoped that improved NYISO outage reporting procedures and a Market incentive will reduce the overstatement of Available Capacity by the generator owners in the future. There are nearly 2000 MW of new capacity modeled as well as the retirement of Hudson Avenue Waterside, and Albany. Also, it was noted that without transmission constraints, the IRM base case requirement would be 15.4%, an IRM impact of 2.2% versus .9% last year.

Four ways for illustrating the results of the probability analysis requested by the Committee in the Draft Report were presented. It concluded that the Report would include high, and low sensitivity results but would not include judgmental probabilities. The ICS has a conference call scheduled for October 19, 2004 to finalize the Draft Report, which will be available to the EC prior to its November 12, 2004 meeting. Also, the Committee discussed at length whether the final IRM Requirement should be expressed to the nearest per cent, .5 per cent or .1 per cent. It was agreed that ICS would address the issue when making its specific recommendation of the IRM Requirement for 2005 at the November 12, 2004 EC meeting.

System & Resource Planning

- ◆ Resource Adequacy:

The Installed Capacity Subcommittee (ICS) has accepted the 17.6% IRM Base Case results and all completed sensitivity cases and is working to complete the technical study report titled "New York Control Area Installed Capacity Requirements for the Period May 2005 Through April 2006". This report will be submitted as draft to the Executive Committee of the NYSRC in November. In addition, the ICS has been charged with submitting a recommendation of the final IRM level to the NYSRC.

- ◆ Transmission Planning:

Staff has been working with Developers and Transmission Owners to transition some 84 pre-existing Interconnection Requests to the NYISO Standard Large Facility Interconnection Procedures that went into effect in August. NYISO has received six new Interconnection Requests thus far under the new procedures.

The Class 2002 Cost Allocation Study was completed and approved by the Operating Committee. The Class 2002 Developers now have 30 days to decide whether to accept or not accept their respective cost allocations. Internal comments on the draft 2004 New York Area Transmission Review Report are being addressed. Staff attended a progress meeting on the NYISO-NYSERDA Wind Generation Integration Study. Staff participated in a meeting of the NPCC CP11 Working Group, which is addressing issues regarding the definition of the Bulk Power System. Work continues on the NPCC Overall Transmission Study, the NPCC TFSS Blackout Study, follow-up on the NERC blackout recommendations, and the Deliverability Impact Study.

◆ Load Forecasting:

The October Day-Ahead forecast average absolute error for the NYCA peak was 1.32%; the weather-adjusted error was 1.31%. Corresponding year-to-date numbers are 2.24% and 1.997%. Revised forecasting models were put into operation by Market Operations.

Staff is participating in the evaluation of the RTS forecasting components. Staff is attending SMD Checklist Meetings and Thursday afternoon issues resolutions meetings. The RTS load forecaster has been working on LFPDS2 (the load forecasting test environment) and LFPQA1 (QA environment). Data has been forwarded to Project Management to fill the load forecast database for 8/03 – 8/04. Models are being estimated for delivery by November 15.

Staff is participating on the 2005 Incentive Goals Committee.

Work continues on revising the Load Forecasting Manual. Alternative criteria for evaluating Transmission Owner/Municipal Electric Systems weather-normalizations are being considered.

The 2005 ICAP load forecast process kicked off with an Economy.com presentation of a New York forecast. A schedule for deliverables was sent to MPs.

A series of weather-normalized sendout and summer and winter peaks are being developed for super zones. Zones A – E will be the West, F – I comprise the East, and J and K will remain separate.

Look Ahead

Business and Strategic Planning

2005 Incentive Goals will be provided to the Board of Directors for approval in November. The 2005 Strategic Plan Implementation/Business Plan will be completed in December.

- ◆ The next two EC meetings are scheduled for November 12, 2004 and December 10, 2004 respectively.

System & Resource Planning

◆ Resource Adequacy:

The ICS continues to debate whether a better methodology exists to determine locational ICAP requirements. A scope of work to have General Electric examine the issue has been drafted. NYISO continues to support NPCC CP-8 working group in an expansion of the tie benefits study, an accelerated schedule for the 2005 summer assessment, and the interim report on Resource Adequacy for the NYCA. Although the NYISO will not be represented, the NYSRC is sending a consultant to the November 18, 2004, workshop on Resource Adequacy/Required Reserves sponsored by ISO-NE.

◆ Transmission Planning:

Continue to develop plans for conducting the first Comprehensive Reliability Planning Study. Continue to transition pre-existing projects to the new NYISO Interconnection Procedures and Process new Interconnection Requests. Present the 2004 New York Area Transmission Review Report to TPAS and other groups for review

and comment. Continue work on the NPCC Overall Transmission Study, the NPCC TFSS Blackout Study, follow up on the NERC blackout recommendations, Phase 2 of the NYISO-NYSERDA Wind Generation Integration Study, and the Deliverability Impact Study. Begin development of work plans for the 2005 studies.

♦ Load Forecasting:

Production and test models will continue to be tracked.

Revision of the Load Forecasting Manual will continue with participation by the ICAP Working Group. The ICAP Working Group will review the draft manual at its next meeting.

Work will continue on the 2005 ICAP load forecast.

Participation in the RTS component of SMD will continue.

Staff will attend the Economy.com US outlook conference and the Eastern Utility Forecasters Forum.

Development of regional weather normalized send-out and peak will be completed.

Attachments

Attachment 5-A, NYISO Daily Peak Load

Attachment 5-B, Day-Ahead Forecast (Weather-Adjusted) Performance Tracking

Attachment 5-C, Plot of 12-Month Moving Total of NYCA Weather Adjusted Energy Sendout

Attachment 5-D, Plot of Weather-Adjusted 12 Month Moving Total Energy Sendout Annual Percent Change

Attachment 5-E, Plot of 12 Month Moving Total of NYCA Energy Sendout and Effective Degree Days for 10 years

Attachment 5-F, Plot of 12 Month Total Energy Sendout Annual Percent Change for 10 Years

6. Regulatory Affairs and General Counsel

Management Summary

The NYISO made six FERC filings and three joint filings with the NY Transmission Owners ("NYTOs") in October 2004. Market Participants made four NYISO-related filings (or groups of filings). FERC issued one substantive order, three letter orders and six administrative orders regarding NYISO dockets. Listings of the NYISO-related regulatory filings and FERC orders issued in October are included as Attachments 6-A and 6-B.

NYISO/NYTO joint tariff compliance filing to modify certain aspects of the Large Facility Interconnection Procedures and Large Facility Interconnection Agreement (i.e., OATT - Attachment X) to comply with FERC's August 6, 2004, Order (ER04-449-004) – Filed October 5, 2004

NYISO filing of an answer to PSE&G's protest of NYISO's compliance filing regarding specific power transfers under certain contested transmission service contracts (EL02-23-005) – Filed October 7, 2004

PSE&G contends that the filing was too narrowly drawn because it would only make confidential information regarding facilities in the Consolidated Edison transmission district available to PJM's market monitor. NYISO stated that PJM and its market monitor have correctly reviewed the requirements of the FERC order, considered the relevant facilities and determined that the limited geographic areas and facilities with regard to which they have requested authorization to share confidential information should be sufficient to permit them to effectively perform joint investigations.

FERC order accepting a compliance report entitled "Report on Status of Regional Adequacy Marketing Working Group" ("RAM") (ER03-647-005) – Issued October 7, 2004

The report explained progress towards the development of a central market framework with a forward auction for price determination that could be applied consistently across the NYISO, PJM and ISO-NE control areas. In addition, the report stated that RAM had contracted with National Economic Research Associates to conduct a review of a centralized regional resource adequacy market. FERC accepted the report and required that any future RAM reports address the following issues:

The relationship between ICAP Demand Curves being implemented in the NYISO and ISO-NE and a common resource adequacy market;
How localized sub-ISO/RTO capacity constraints and markets can be accommodated within a common resource adequacy market;
The potential for seams across ISO/RTO boundaries on the transferability of capacity and the potential lack of consistency on the definition of capacity products; and,
The ability of demand response resources to participate in a common resource adequacy market.

NYISO compliance filing regarding procedures for annual transmission baseline and reliability assessments arising out of the approved Keyspan settlement regarding cost allocation for new interconnection facilities (EL02-125-002) – Filed October 15, 2004

The Settlement Agreement and compliance filing addressed the following topics: first, the construction of the existing system representation to be used in the NYISO's cost allocation studies; second, the circumstances in which the NYISO shall develop and select generic solutions to reliability deficiencies noted in the existing system, and criteria for determining the feasibility of such solutions; third, the role of an outside expert in the review of any generic solutions; and fourth, the resumption of the cost allocation process and allocation of headroom between Class Year 2001 and Class Year 2002 developers.

FERC deficiency letter/data request regarding tariff amendments concerning a comprehensive planning process for New York reliability needs (ER04-1144-000) Issued October 19, 2004

The letter requested additional information regarding the following: (1) the basis for reserving a period of time for exclusively considering market-based solutions before considering alternative regulated solutions (e.g., demand-side alternatives); (2) a description of the criteria to be used by the NYDPS in reviewing the

alternative regulated proposals; (3) an explanation of the role that the state will have in determining the adequacy of the market-based solutions; and (4) an update on the development of NYISO's approach to planning for economic reasons.

NYISO addressed these issues in a filing to FERC dated October 29, 2004.

Letter Orders: During October 2004, FERC issued three letter orders. FERC accepted NYISO's filings to: clarify exemptions from balancing rules and under generation penalties and to enhance bid-cost protections under the real time scheduling rules (ER04-1138-000); withdraw its filing to implement interim scheduling procedures for external transactions at the Shoreham Proxy Generator Bus (ER04-791-000); and revise the Day-Ahead Demand Reduction Program (ER04-1188-000).

Look Ahead

The NYISO is preparing FERC filings regarding:

1. FERC Notice of Inquiry concerning accounting and financial reporting requirements for and oversight of RTO and ISO costs;
2. Initial notice to Market Participants concerning SMD2 implementation;
3. First KeySpan settlement training report and issue identification;
4. OATT Attachment N revisions necessary to correctly calculate congestion shortfall charges;
5. Final Notice to Market Participants concerning SMD2 implementation; and
6. Creditworthiness compliance report.

Attachments

Attachment 6-A, NYISO Regulatory Filings – October 2004

Attachment 6-B, NYISO Related FERC Orders – October 2004

7. Committee Activities

Management Summary

Management Committee (MC): The MC met on October 1 and October 14, 2004.

- The MC held a special meeting by teleconference on October 1, 2004, and approved a proposal for Voltage Support Service for 2005. At its regular meeting on October 14, 2004, the MC approved the NYISO Initial Planning Report. In addition, the majority vote of 58% needed to elect the new MC Vice Chair was not achieved.

Business Issues Committee (BIC): The BIC met on October 27, 2004.

- The BIC received presentations on the Northeast Seams Report, the Market Operations Report, as well as updates on the SMD2 deployment efforts. The BIC passed a motion concerning tariff and manual language to specify requirements that must be satisfied by "Direct Customers." Additionally, the BIC elected Mr. Ray Kinney of NYSEG as its new Vice-Chair.

Operating Committee (OC): The OC met on October 28, 2004.

- The OC discussed the SMD2 Readiness plan, the LIPA Holtsville GT- Brentwood - Pilgrim 138Kv circuit study scope, and the NYISO Outage Scheduling manual. The OC elected Mr. Madison Milhous Jr. of KeySpan Energy as its new Vice-Chair.

New York State Reliability Council (NYSRC):

- Preparation for 2005-2006 Statewide IRM Study:

At the October Executive Committee (EC) meeting, the Chairman of the Installed Capacity Subcommittee (ICS) presented a summary of a comparison of the 2005 Study results with the 2004 Study results. The summary highlighted the impact of the key study assumptions approved by the EC at the August 2004 meeting. The base case for 2005 is 17.6%, .5% above 2004. The largest single assumption impacts were DMNC Unavailability (+2.3%), and EFORd (-1.0%). The "White Paper" provided by the NYISO in August, 2004 describes the derivation of the 711Mw DMNC adjustment in the MARS capacity model. It is hoped that improved NYISO outage reporting procedures and a Market incentive will reduce the overstatement of available capacity by the generator owners in the future. There are nearly 2000 MW of new capacity modeled as well as the retirement of Hudson Ave., Waterside, and Albany. Also, it was noted that without transmission constraints, the IRM base case requirement would be 15.4%, an IRM impact of 2.2% versus .9% last year.

Four ways for illustrating the results of the probability analysis requested by the Committee in the Draft Report were presented. It was concluded that the Report would include a high, low and sensitivity results but would not include judgmental probabilities. The ICS has a conference call scheduled for October 19, 2004 to finalize the Draft Report, which will be available to the EC prior to its November 12, 2004 meeting. Also, the Committee discussed at length whether the final IRM Requirement should be expressed to the nearest per cent, .5 per cent or .1 per cent. It was agreed that ICS would address the issue when making its specific recommendation of the IRM Requirement for 2005 at the November 12, 2004 Committee meeting.

Look Ahead

Management Committee (MC):

- The next meeting of the MC is scheduled for November 10, 2004. The MC is scheduled to vote on the selection of a new MC Vice-Chair for the 2004-2005 term, approval of the 2005 Budget and a proposal to defer implementation of a physical reserve self-supply option. There will be presentations on SMD2 Readiness and Billing Issues in addition to the regular reports.

Business Issues Committee (BIC):

- The BIC is scheduled to meet again on November 17, 2004. The BIC will receive an update on SMD2 readiness in addition to its regular updates.

Operating Committee (OC):

- The OC is scheduled to meet again on November 18, 2004. The OC will consider approval of the Transmission and Dispatch and the Emergency Operations manuals, Winter Operating Study, and SRISs sent to the OC by the sub-committee. Presentations will include an update on SMD2.

New York State Reliability Council (NYSRC):

- The next two EC meetings are scheduled for November 12, 2004 and December 10, 2004, respectively.

Attachments

Attachment 7-A, MC Motions

8. Information Technology

Management Summary

The SMD2 project team conducted a seventh Market Trial exercise in order to demonstrate final readiness of the SMD2 system. The design of the test was similar to the previous exercises in that the bids and offers were supplied by MPs. The preliminary results showed a generally clean test, and those facts were supported by an independent review by LECG. The success of this exercise sets the stage for transition of the SMD2 environments to the final configuration that will support "Go Live" operations.

The NYISO continues to follow the SMD2 readiness plan that will support the planned cut-over to the new SMD2 system on December 1, 2004. The specifics of this plan include the: preparation of the physical environments; adaptation of departmental policies and procedures; resolution of outstanding issues; completion of staff training; and communication of program readiness to MPs. The readiness plan is generally on schedule.

A detailed cut-over and fall-back plan has been produced and will be presented to MPs in November. The plan includes a period of parallel operation between the SMD2 and legacy systems both before and after the transition to the new market software. The period before the cut-over is required to perform final validation between the two (2) systems; the period following the cut-over is necessary to maximize the opportunity to fallback in the event of a serious problem.

SMD2 software development activities on the NYISO software have been largely reduced to bug fix/retest and cleanup items. The number of known defects is considered to be manageable, and integration efforts with the late legacy development are on schedule.

The new OASIS Operational Graphs were successfully tested and deployed into the Production System. The new OASIS zone maps and graphs are integrated into an improved organization of the OASIS section of the website. A series of tabs organizes the information for easier access.

Look Ahead

The SMD2 team will complete the remaining activities as defined in the SMD2 readiness plan and gear up for the December 1 cut-over to SMD2.

The SMD2 Bidbox will become available on Monday, November 22, 2004, to receive bids for the period of parallel operations, as well as the first week of SMD2 operation. The period of parallel operation will commence with the Day-Ahead market on November 23, 2004, for the Real-Time operating day on November 24, 2004.

9. Human Resources

Management Summary

Eight new employees and no new contractors were hired in October.

56 new employees have been hired thus far in 2004; a total of ten new contractors have been hired.

There were no terminations in October.

A total of 18 interviews (for employee positions) were conducted in October. From these interviews, four offers for direct hire were extended, and all four were accepted.

Forty-Five Power Plus Awards were awarded to employees in IT, Market Services, Administration & Compliance, HR & Training, and Operations.

The following training activities took place during the month of September:

A NYMOC training course was held with fifty-five people attending.

One DSS introductory course was conducted via Webex.

A full-day DSS intermediate course was conducted for MPs. This course involved hands-on use of the data warehousing application.

Fourteen employee Organizational Excellence Program sessions were conducted during October. They included Managing Meetings that Matter, Leading High Performance Cross-functional Teams, and Personal Leadership.

Two "Super-Vision" sessions were developed and conducted for new Supervisors. These sessions addressed behavioral style awareness.

Look Ahead

Benefit Open Enrollment information is being prepared for distribution in November.

DEPARTMENT	Current Staff 10/31/2004	Current Openings	Total Budgeted Employees 12/31/2004
Executive	2	1	3
Finance	25	3	28
Administration & Compliance	21	1	22
Human Resources	17	0	17
Information Systems	121	9	130
Market Services	46	1	47
Product & Project Management	1	0	1
Operations	79	3	82
Strategic Development	15	1	16
Corporate & Market Risk	42	2	44
Government Affairs & Comm.	6	0	6
General Counsel	8	0	8
Regulatory Affairs	5	0	5
Total	388	21	409

10. Government Affairs and Communications

Management Summary

Media Inquires and News Releases:

The NYISO managed 35 inquiries
The NYISO issued 2 news releases:

Oct. 6 "The NYISO Announces Improvements to OASIS"
Oct. 14 "The New York ISO Creates Prestigious Environmental Council"

Interviews & Presentations:

Oct. 13 New York City Economic Development Corporation
Oct. 20 -22 Exhibited OASIS at Platts Transmission Conference

Government Affairs:

Oct. 21 Met with New York congressional delegation

Tours:

Oct. 6 Skidmore College
Oct. 7 Kruger (hydro)
Oct. 8 Taiwan Power Company
Oct. 13 New York City EDC
Oct. 13 Techno Research Institute (Japan)
Oct. 19 Homeland Security Office
Oct. 22 National Grid
Oct. 26 FERC
Oct. 26 ISO-NE
Oct. 28 Utility Wind Interest Group

Internal Communications:

Web Site: 260 postings were added to the site, and 32 Webmaster/portal requests were resolved.

- *The Independent* was published and distributed.
- The new Internal Communications Plan was introduced to employees.
- GAC Intranet Home Page revised.
- High-Tech messaging system finalized, prepped for rollout in November.
- Released Internal Communications Plan.

Look Ahead

Nov. 12 United Way Campaign Kick-off Breakfast
Nov. 15 Tour, KEPCO (Korea)
Nov. 19 Tour, Russian Utility
Nov. 30 Tour, FERC

11. Finance

Management Summary

Budget:

Spending in 2004 is tracking within budget. Detailed projections of spending to December 31, 2004 indicate a potential underrun of approximately \$6 million, due primarily to underruns on insurance, debt service, and FERC Fees. This underrun will be utilized to "pay down" existing debt.

On October 14, the Budget, Standards & Performance subcommittee ("BSP") presented the first draft of the 2005 budget to the Management Committee. The MCE will be asked to recommend a 2005 budget to the NYISO BOD at its November 10 meeting. The BOD is expected to approve the 2005 budget during November.

Credit Department:

An Alternative Security Agreement has been executed with Energy Services Providers, Inc. as a means to recover the \$1.2 million exposure created as a result of the MP's failure to provide load forecasts. The NYISO expects full recovery by April 1, 2005.

The general problem of either zero or poor load forecasts has been addressed. An enterprise wide monitoring program has been implemented to address this heretofore unknown exposure.

Market Settlements Activities:

The consolidated invoice issued in September 2004 represented the August 2004 Energy and ICAP charges, the August 2003 and April 2004 settlement adjustments, and the August 2002 final settlement.

Other Matters:

The NYISO has engaged a consultant to prepare a present-value cash flow analysis of the costs to purchase a new Alternate Control Center and consolidated office space. The analysis will be presented to MPs in the coming months.

Look Ahead

The MC will be asked to recommend a 2005 budget to the NYISO BOD at its November 10 meeting. The Board is expected to approve the 2005 budget during November.

A Credit Policy Task Force meeting was held on October 18, 2004, and a follow-up meeting will be scheduled in early November. The agenda will address possible avenues to lower the collateral requirements while not increasing the exposure of a credit loss. A full report of these efforts will be provided to FERC at the end of November.

Attachments

- Attachment 11-A, NYISO Budget vs. Actual Analysis
- Attachment 11-B, Gross Revenue – Energy Market
- Attachment 11-C, Market Participant Energy Billings – Receivables
- Attachment 11-D, Market Participant Energy Billings – Payables

12. Administration and Compliance

Management Summary

Facilities and Security:

- Continued support of HVAC/UPS upgrades at the PCC, Wolf Road and Western Turnpike Facilities.
- Oversight of diesel generator replacement at Wolf Road facility.
- Roof replacement over the PCC Data Center has been completed. Work on the roof over the generator building will start by the end of November.
- The security enhancements at the PCC building continue as Phase 2 work nears completion. The lobby at the PCC was opened on November 2. Phase III work has begun in parallel with the completion of the Phase II work. Guards will move into the Guard Tower in early November.
- The responses to an RFP to maintain our current security guard force are being studied, and an award is imminent.

Contract Administration:

- Continued support for efforts to upgrade the critical infrastructure and redundancy needs at PCC, Wolf Rd., and the Annex.
- Review of processes and procedures to identify potential risk avoidance in the contract and purchase order areas to avoid a similar ERCOT experience.
- Informational and planning support in the due diligence new facility process.
- Continued pro-active updating of insurance certificates, conflicts of interest statements and Master Consulting Agreements as necessary across all departments.

Project Management:

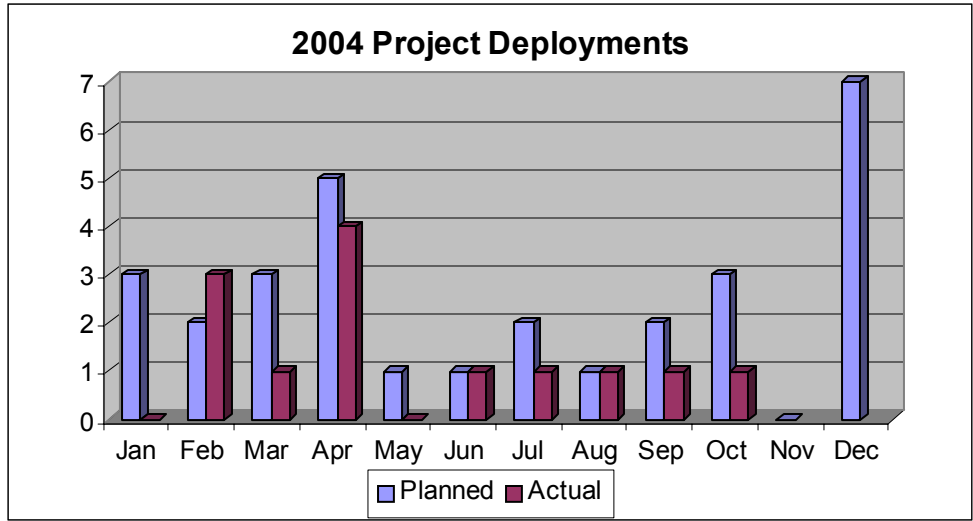
Project Deployments:

During the month of October there was one project deployment.

A699 MDEX Enhancements - On October 5, 2004, the NYISO successfully deployed a series of improvements to the Open Access Same-Time Information System (OASIS) website. The effort simplifies the electronic display of important operational and market information. OASIS is a web-based, real-time tool used by MPs, including energy traders, to monitor real-time activity on the wholesale energy markets and view critical operational and market data.

These improvements include the reorganization of all data within the OASIS section of nyiso.com into major categories, including Pricing Data, Power Grid Data, Load Data and Zone Maps. Categories also exist for Reports & Information, Graphs, and Market Applications. Each of these "tabs" provides users with easier drill-down access to important information and data. All market interactions and bidding can be found on the tab labeled Market applications. Similarly, all details regarding the Standard Market Design (SMD2) project are found by clicking on the SMD2 tab.

The following graph summarizes planned versus actual project deployments for the year.

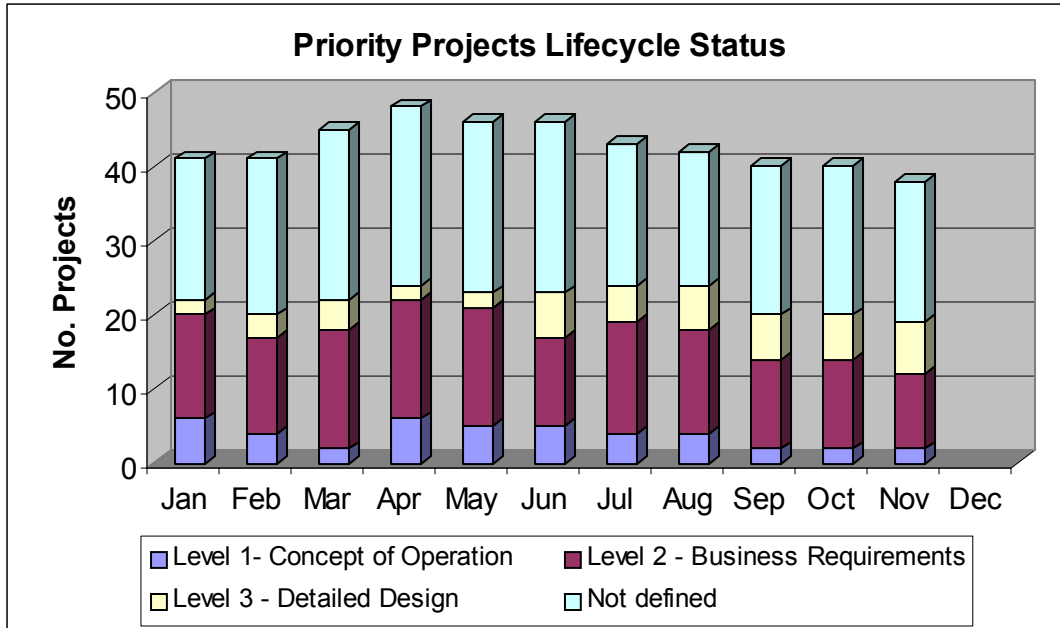


The table below lists the completed project deployments for each month:

Month:	Completed Deployments:
February	A649 Oracle 9i - BAS A713 Creating New Meter Authorities
March	A556 Documentum
April	A647 Station Power A660 E-Tagging Integration A620 AMP IV A664 DSS - Reports and Nov 99 Release
May	No Deployments
June	A688 Inadvertent Package Replacement
July	A664 DSS - ADD Features
August	A664 DSS - ADD Enhancements
September	A740 Documentum - IT Implementation
October	A699 MDEX Enhancements

Priority Project Lifecycle Status:

The graph below illustrates the status of Priority Projects within the project lifecycle.



- Level 1 indicates a project in its preliminary or conceptual stage with a completed Issue Discovery or Concept of Operation document. Class 100 estimates for resources, schedule and cost are prepared at this time (assumed to have +/- 100% accuracy).
- Level 2 is achieved when the Business Requirements document (aka FRS) is completed and the project scope is more clearly defined. Class 50 estimates for resources, schedule and cost are prepared at this point in the project lifecycle (assumed to have +/- 50% accuracy).
- Level 3 is reached when a System Design Specification (SDS), defining the detailed software design requirements, is completed. Class 10 estimates for resources, schedule and cost are prepared at this point in the project lifecycle (assumed to have +/- 10% accuracy).
- Not Defined means the project is still in the initial conceptualization phase.

The estimate levels defined above are also shown for each project on the Projects Portfolio Gantt chart. As a project progresses through these levels the resource, schedule and cost estimates become more accurate.

Look Ahead

Project Management:

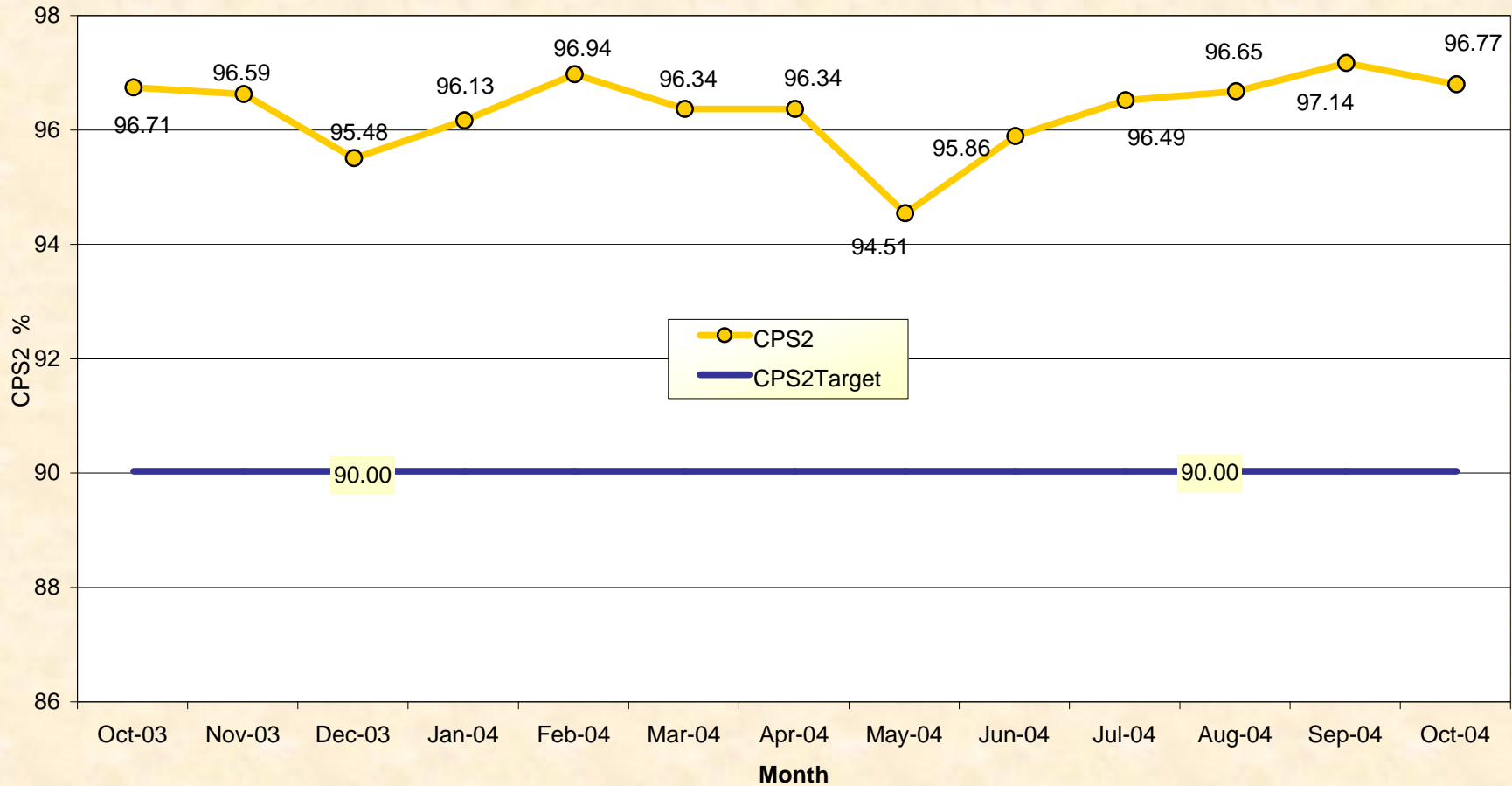
Next month all efforts will be focused on final preparations to support the SMD deployment.

Attachments

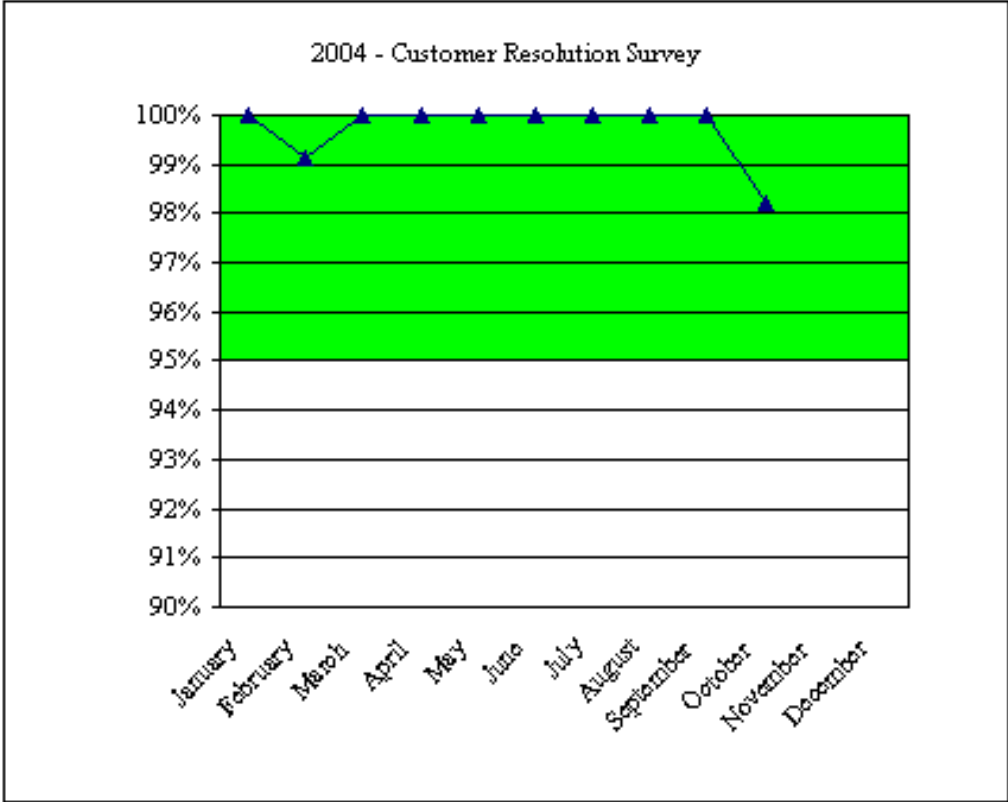
- Attachment 12-A, Summary report - Status of Priority Projects
- Attachment 12-B, Projects Portfolio

NERC Control Performance Standard

NYISO Compliance
Year 2003/2004

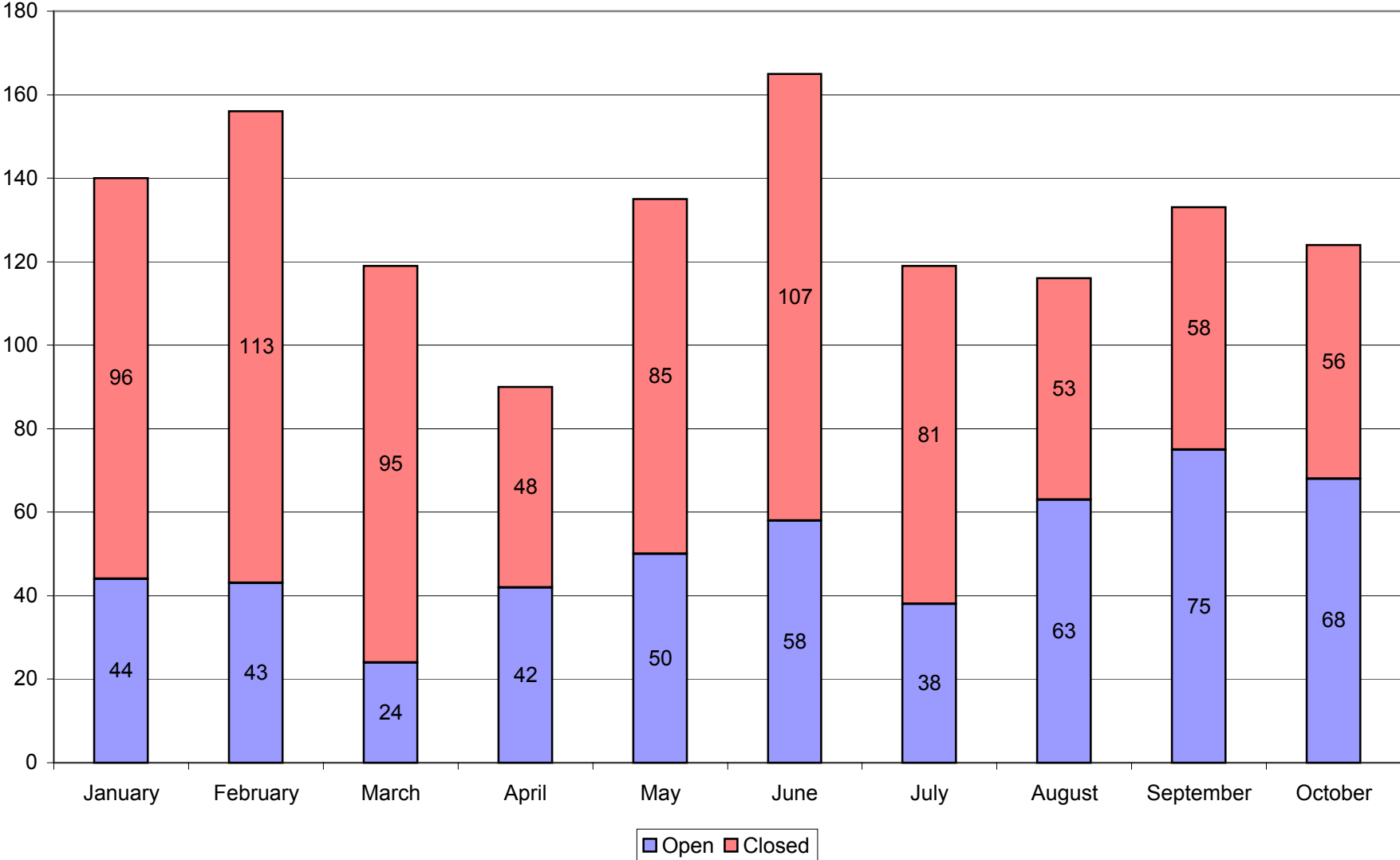


CPS2 for October = 96.77% Compliance Threshold = 90%
CPS2 measures excessive unscheduled power flow resulting from large Area Control Error (ACE)

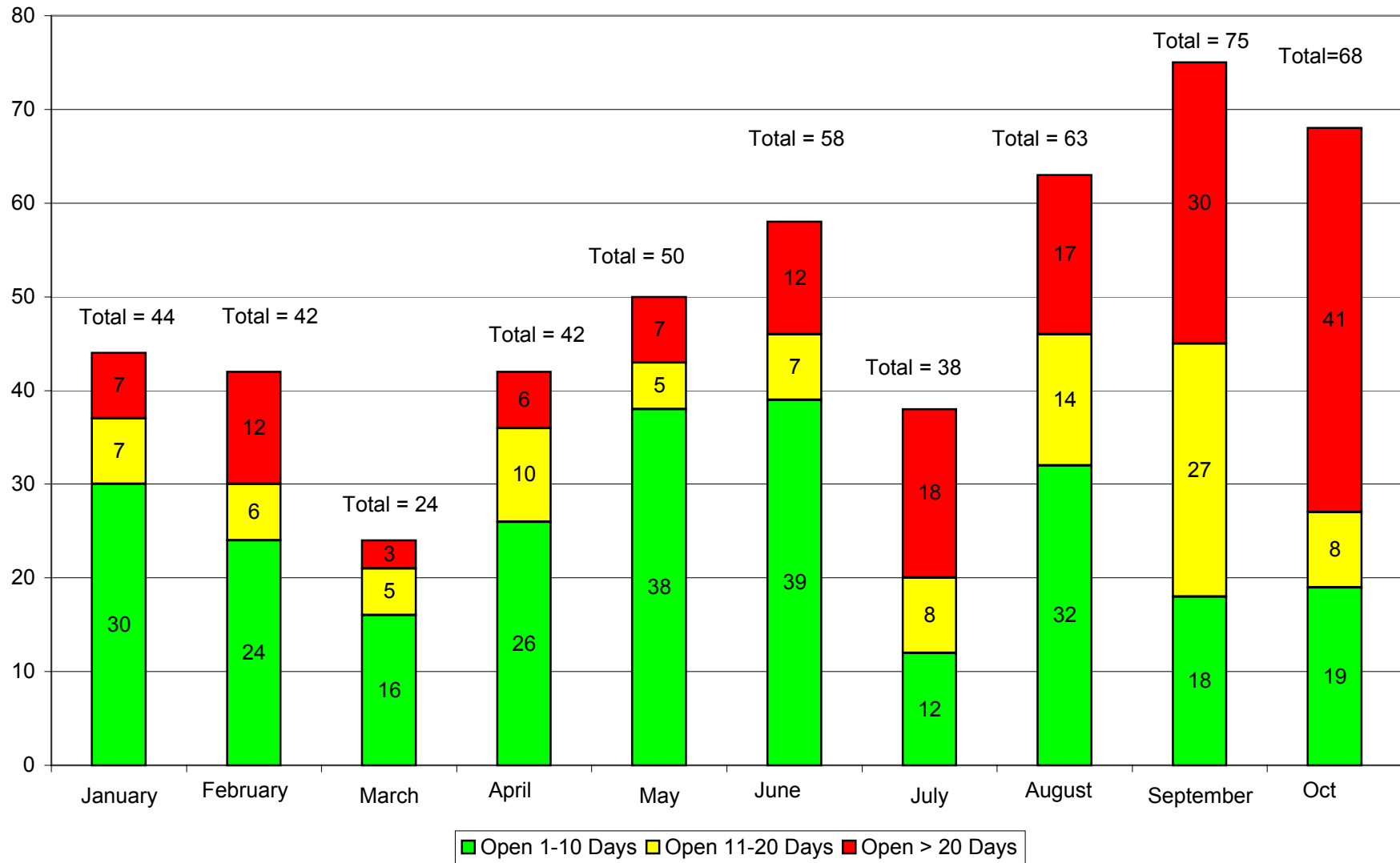


The Customer Resolution Survey Goal for 2004, has been set at 95%. For the month of September, 56 inquiries were sent out. One reply was received that the response was not timely. A 98.2% (superior) level was achieved for the month. For the period January-October, a total of 792 inquiries were sent out, two (2) customers indicated that the response was not timely. A 99.7% level was achieved.

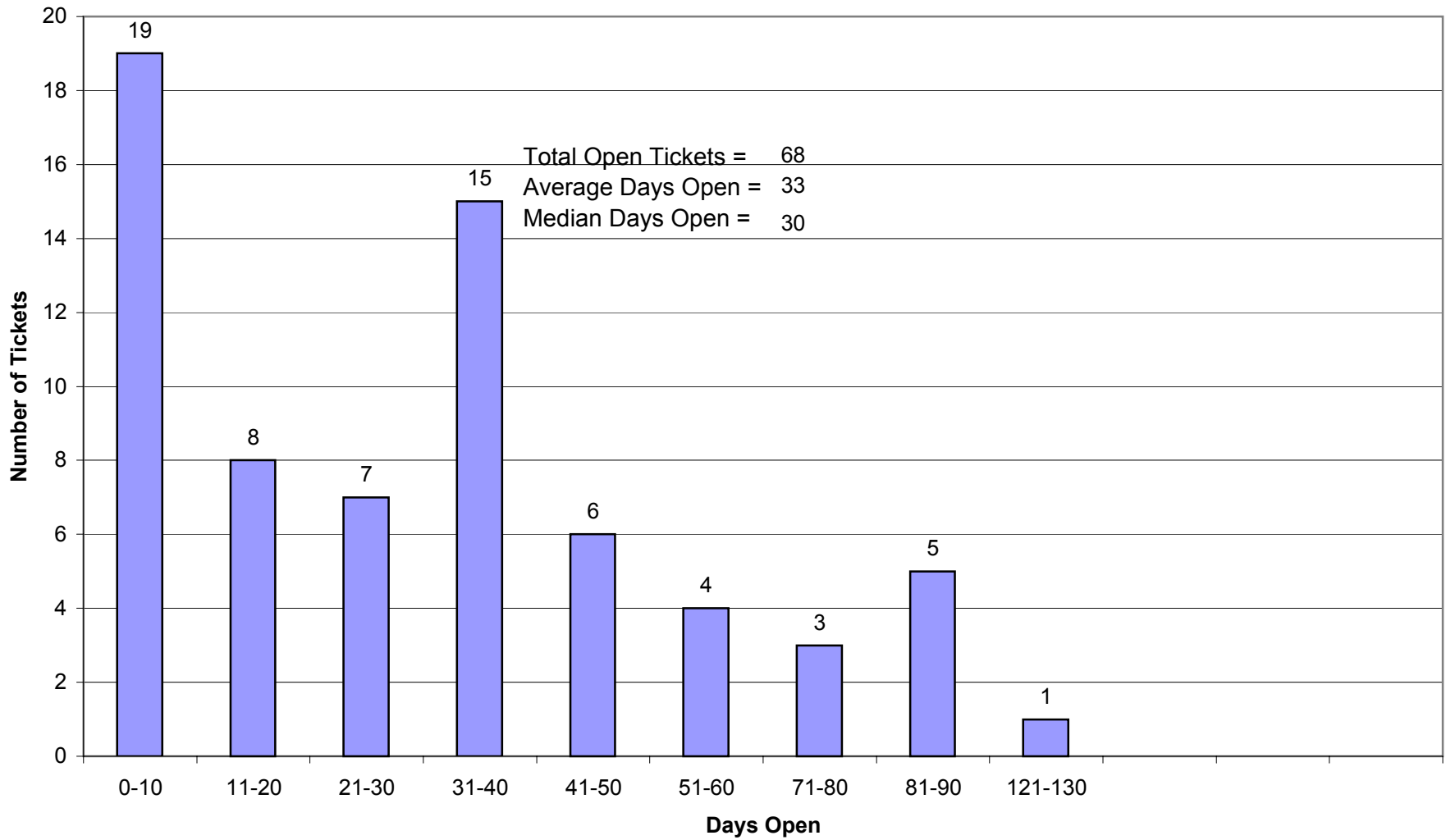
Tickets Open, Tickets Closed as of End of October, 2004



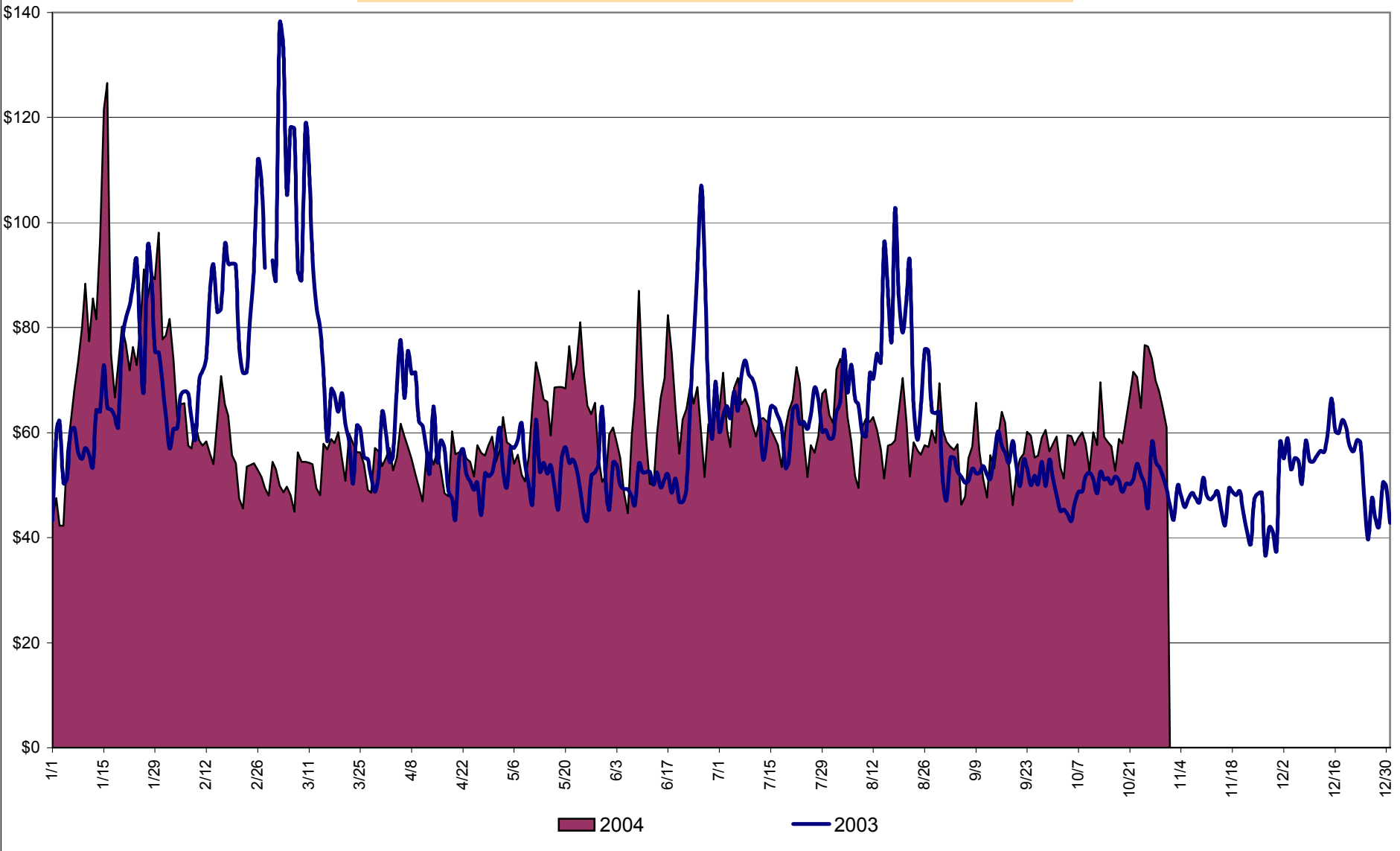
Open Tickets by Month October 2004



Number of Tickets Open By Days October 2004



Daily NYISO Average Cost/MWH (Energy & Ancillary Services)*
2003 Annual Average \$62.40/MWH
October 2003 YTD Average \$64.72/MWH
October 2004 YTD Average \$62.33/MWH



4-A

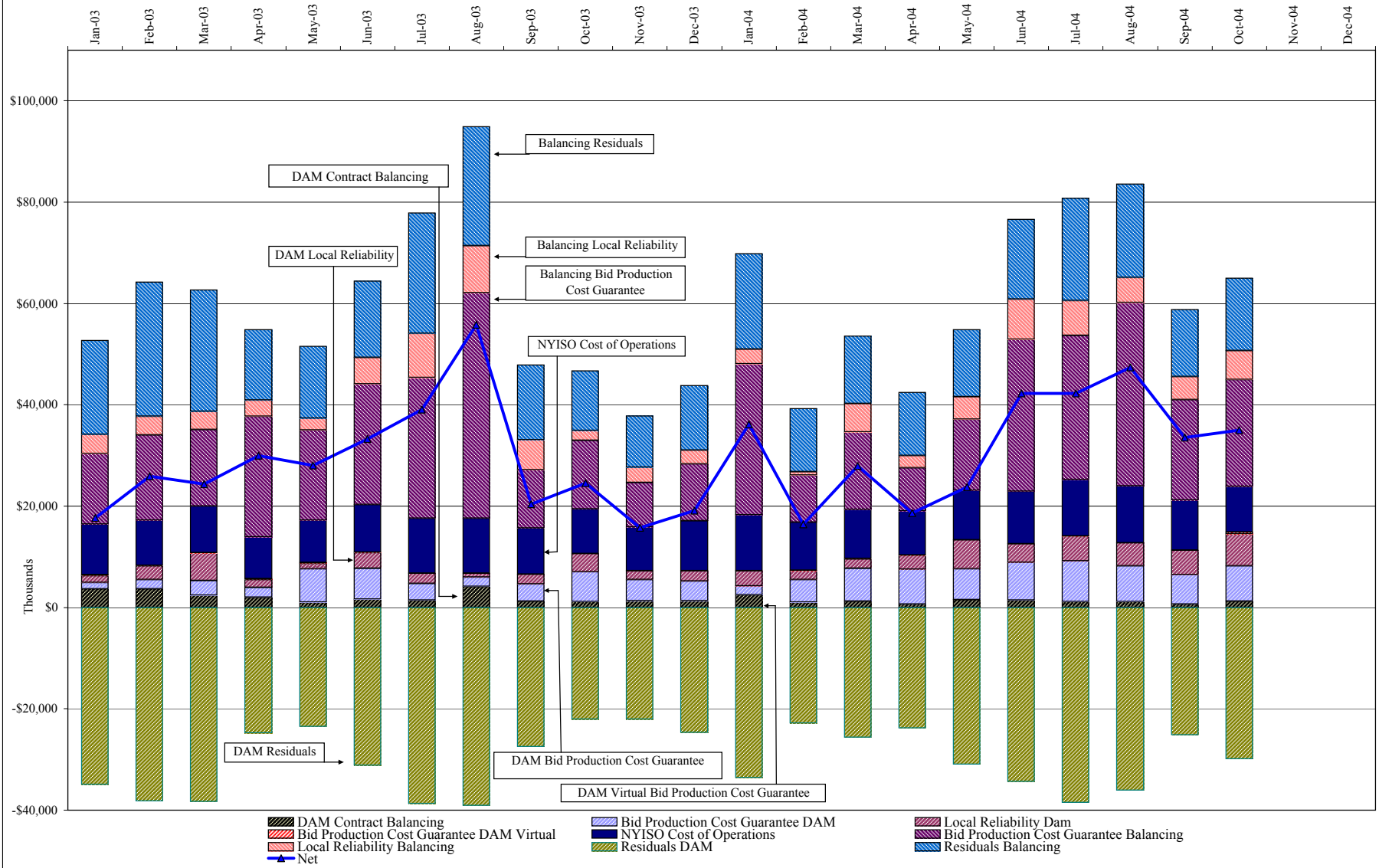
**NYISO Average Cost/MWH (Energy and Ancillary Services)*
from the LBMP Customer point of view**

2004		January	February	March	April	May	June	July	August	September	October	November	December
	LBMP	76.13	57.13	50.56	52.48	61.24	59.79	59.59	57.23	53.01	58.66		
	NTAC	0.47	0.42	0.55	0.51	0.42	0.53	0.34	0.43	0.23	0.29		
	Reserve	0.27	0.14	0.20	0.17	0.14	0.09	0.06	0.05	0.06	0.12		
	Regulation	0.18	0.34	0.28	0.15	0.13	0.14	0.13	0.17	0.32	0.43		
	NYISO Cost of Operations	0.73	0.73	0.73	0.72	0.73	0.73	0.74	0.74	0.73	0.73		
	Uplift	1.57	0.44	1.27	0.76	0.93	2.16	1.99	2.36	1.71	1.92		
	Voltage Support and Black Start	0.36	0.36	0.36	0.36	0.36	0.36	0.36	0.36	0.36	0.36		
	Avg Monthly Cost	79.72	59.56	53.96	55.16	63.94	63.80	63.21	61.34	56.42	62.51		
	Avg YTD Cost	79.72	70.68	65.29	63.02	63.20	63.30	63.29	63.02	62.32	62.33		

2003		January	February	March	April	May	June	July	August	September	October	November	December
	LBMP	66.34	76.59	78.31	54.28	49.77	57.46	60.10	68.23	50.82	47.19	43.37	52.19
	NTAC	0.42	0.36	0.67	0.46	0.45	0.40	0.54	0.37	0.25	0.29	0.52	0.37
	Reserve	0.47	0.35	0.45	0.40	0.47	0.25	0.15	0.22	0.13	0.10	0.18	0.16
	Regulation	0.27	0.28	0.39	0.32	0.65	0.34	0.22	0.21	0.35	0.53	0.46	0.25
	NYISO Cost of Operations	0.70	0.69	0.69	0.69	0.69	0.70	0.70	0.70	0.70	0.69	0.69	0.70
	Uplift	0.30	1.09	0.95	1.69	1.51	1.67	1.78	2.57	0.77	1.15	0.45	0.57
	Voltage Support and Black Start	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34
	Avg Monthly Cost	68.83	79.71	81.81	58.18	53.89	61.16	63.83	72.65	53.36	50.29	46.01	54.58
	Avg YTD Cost	68.83	74.02	76.58	72.21	68.83	67.47	66.81	67.73	66.20	64.72	63.16	62.40

* Excludes ICAP payments

NYISO Dollar Flows - Uplift - OATT Schedule 1 components



DAM Contract Balancing amounts are for payments made to generating units to make them whole for being dispatched below their Day-Ahead schedule, as a result of out-of-merit dispatches.

DAM Bid Production Cost Guarantees for Virtual Transactions are included in the chart and are shown from the inception of Virtual Transactions. These values are small and cannot be identified on the chart.

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

NYISO Markets Transactions

Transactions by Market 2004	January	February	March	April	May	June	July	August	September	October	November	December
Day Ahead Market MWH	14,614,304	12,806,346	12,836,889	11,818,317	13,026,160	13,737,390	15,071,422	14,939,105	13,228,022	12,375,053		
DAM LSE Internal LBMP Energy Sales	52%	50%	51%	51%	47%	49%	53%	54%	53%	52%		
DAM External TC LBMP Energy Sales	4%	2%	3%	3%	4%	3%	2%	1%	1%	0%		
DAM Bilateral - Internal Bilaterals	41%	45%	44%	44%	46%	45%	43%	43%	44%	45%		
DAM Bilateral - Import/Non-LBMP Market Bilaterals	1%	1%	1%	0%	0%	0%	0%	0%	0%	0%		
DAM Bilateral - Export/Non-LBMP Market Bilaterals	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%		
DAM Bilateral - Wheel Through Bilaterals	1%	1%	1%	1%	1%	1%	1%	1%	1%	0%		
Balancing Energy Market MWH	367,460	269,220	508,837	238,876	379,159	424,726	139,472	297,506	322,983	68,554		
Balancing Energy LSE Internal LBMP Energy Sales	66%	31%	61%	84%	30%	29%	-46%	35%	19%	-9%		
Balancing Energy External TC LBMP Energy Sales	57%	78%	41%	38%	77%	74%	170%	73%	50%	125%		
Balancing Energy Bilateral - Internal Bilaterals	-20%	0%	0%	-9%	3%	5%	13%	5%	39%	23%		
Balancing Energy Bilateral - Import/Non-LBMP Market Bilaterals	0%	1%	0%	0%	0%	0%	0%	0%	0%	0%		
Balancing Energy Bilateral - Export/Non-LBMP Market Bilaterals	0%	0%	0%	1%	1%	0%	1%	0%	0%	0%		
Balancing Energy Bilateral - Wheel Through Bilaterals	-4%	-11%	-3%	-14%	-11%	-8%	-39%	-13%	-8%	-40%		
Transactions Summary												
LBMP	58%	54%	56%	55%	53%	54%	55%	56%	54%	53%		
Internal Bilaterals	40%	44%	42%	43%	45%	44%	43%	43%	44%	45%		
Import Bilaterals	1%	1%	1%	0%	0%	0%	0%	0%	0%	0%		
Export Bilaterals	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%		
Wheels Through	1%	0%	1%	0%	1%	1%	0%	1%	1%	0%		
Market Share of Total Load												
Day Ahead Market	97.5%	97.9%	96.2%	98.0%	97.2%	97.0%	99.1%	98.0%	97.6%	99.4%		
Balancing Energy +	2.5%	2.1%	3.8%	2.0%	2.8%	3.0%	0.9%	2.0%	2.4%	0.6%		
Total MWH	14,981,764	13,075,566	13,345,726	12,057,193	13,405,319	14,162,116	15,210,894	15,236,611	13,551,005	12,443,607		
Average Daily Energy Sendout/Month GWh	464	440	416	393	408	451	481	485	447	403		

Transactions by Market 2003

Day Ahead Market MWH	14,187,752	12,695,868	13,126,563	11,997,655	12,029,453	13,341,831	15,444,857	15,759,082	13,003,309	12,507,780	12,332,456	13,973,266
DAM LSE Internal LBMP Energy Sales	46%	48%	46%	49%	46%	48%	55%	57%	49%	48%	47%	48%
DAM External TC LBMP Energy Sales	1%	1%	1%	1%	2%	2%	1%	0%	1%	2%	2%	2%
DAM Bilateral - Internal Bilaterals	50%	49%	50%	46%	49%	46%	43%	40%	48%	47%	48%	46%
DAM Bilateral - Import/Non-LBMP Market Bilaterals	1%	1%	1%	1%	0%	0%	0%	0%	0%	0%	0%	0%
DAM Bilateral - Export/Non-LBMP Market Bilaterals	1%	1%	2%	1%	1%	1%	1%	1%	1%	1%	1%	1%
DAM Bilateral - Wheel Through Bilaterals	1%	1%	1%	2%	2%	2%	1%	1%	1%	1%	1%	2%
Balancing Energy Market MWH	347,539	285,381	376,222	235,800	278,939	291,519	208,142	-55,913	394,363	338,562	319,065	385,707
Balancing Energy LSE Internal LBMP Energy Sales	58%	35%	52%	72%	48%	39%	53%	-146%	65%	53%	26%	43%
Balancing Energy External TC LBMP Energy Sales	58%	80%	95%	73%	69%	78%	79%	242%	44%	61%	77%	68%
Balancing Energy Bilateral - Internal Bilaterals	-6%	-10%	-2%	0%	-5%	5%	-2%	-75%	1%	3%	0%	-2%
Balancing Energy Bilateral - Import/Non-LBMP Market Bilaterals	4%	1%	1%	1%	1%	0%	0%	2%	0%	0%	0%	0%
Balancing Energy Bilateral - Export/Non-LBMP Market Bilaterals	0%	0%	-38%	0%	0%	0%	0%	-14%	0%	0%	0%	0%
Balancing Energy Bilateral - Wheel Through Bilaterals	-14%	-7%	-8%	-46%	-14%	-23%	-31%	-109%	-10%	-16%	-3%	-9%
Transactions Summary												
LBMP	49%	50%	49%	52%	49%	52%	56%	58%	51%	52%	51%	52%
Internal Bilaterals	48%	47%	48%	45%	48%	46%	42%	40%	46%	46%	47%	45%
Import Bilaterals	1%	1%	1%	1%	0%	0%	0%	0%	0%	0%	0%	0%
Export Bilaterals	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Wheels Through	1%	1%	1%	1%	1%	1%	1%	1%	0%	1%	1%	2%
Market Share of Total Load												
Day Ahead Market	97.6%	97.8%	97.2%	98.1%	97.7%	97.9%	98.7%	100.4%	97.1%	97.4%	97.5%	97.3%
Balancing Energy +	2.4%	2.2%	2.8%	1.9%	2.3%	2.1%	1.3%	-0.4% *	2.9%	2.6%	2.5%	2.7%
Total MWH	14,535,291	12,981,249	13,502,785	12,233,455	12,308,392	13,633,350	15,652,999	15,703,169	13,397,672	12,846,342	12,651,521	14,358,973
Average Daily Energy Sendout/Month GWh	458	450	418	393	382	432	497	498	433	397	402	435

+ Balancing Energy: Load(MW) purchased at Real Time LBMP.

* The signs for the detail section intuitively reflect the direction of power flow eliminating the use of double negatives when Balancing Energy is negative.

Notes: Percent totals may not equal 100% due to rounding.

Virtual Transactions are not reflected in this chart.

NYISO Markets 2004 Energy Statistics

	January	February	March	April	May	June	July	August	September	October	November	December
<u>DAY AHEAD LBMP</u>												
Price *	\$72.12	\$55.31	\$49.08	\$51.01	\$57.25	\$55.03	\$55.33	\$52.59	\$49.03	\$55.32		
Standard Deviation	\$25.99	\$14.40	\$10.90	\$11.42	\$16.72	\$17.82	\$12.68	\$12.49	\$11.17	\$12.89		
Load Wtg.Price **	\$75.01	\$56.90	\$50.44	\$52.50	\$59.89	\$58.29	\$57.32	\$54.60	\$50.78	\$56.93		
<u>BME *** LBMP</u>												
Price *	\$77.51	\$54.41	\$53.01	\$56.94	\$60.98	\$59.15	\$60.43	\$58.27	\$58.01	\$57.59		
Standard Deviation	\$37.54	\$15.73	\$16.25	\$18.41	\$23.58	\$24.50	\$20.60	\$19.57	\$25.82	\$16.11		
Load Wtg.Price **	\$80.51	\$55.89	\$54.71	\$58.89	\$64.14	\$63.17	\$62.81	\$61.02	\$60.75	\$59.27		
<u>REAL TIME LBMP</u>												
Price *	\$73.72	\$52.95	\$49.56	\$50.83	\$56.20	\$54.03	\$55.08	\$52.89	\$51.06	\$54.00		
Standard Deviation	\$32.61	\$15.04	\$17.75	\$14.15	\$25.74	\$23.42	\$17.07	\$19.56	\$15.59	\$17.42		
Load Wtg.Price **	\$76.85	\$54.33	\$51.27	\$52.36	\$59.61	\$58.01	\$57.44	\$55.75	\$53.06	\$55.57		
Average Daily Energy Sendout/Month GWh	464	440	416	393	408	451	481	485	447	403		

NYISO Markets 2003 Energy Statistics

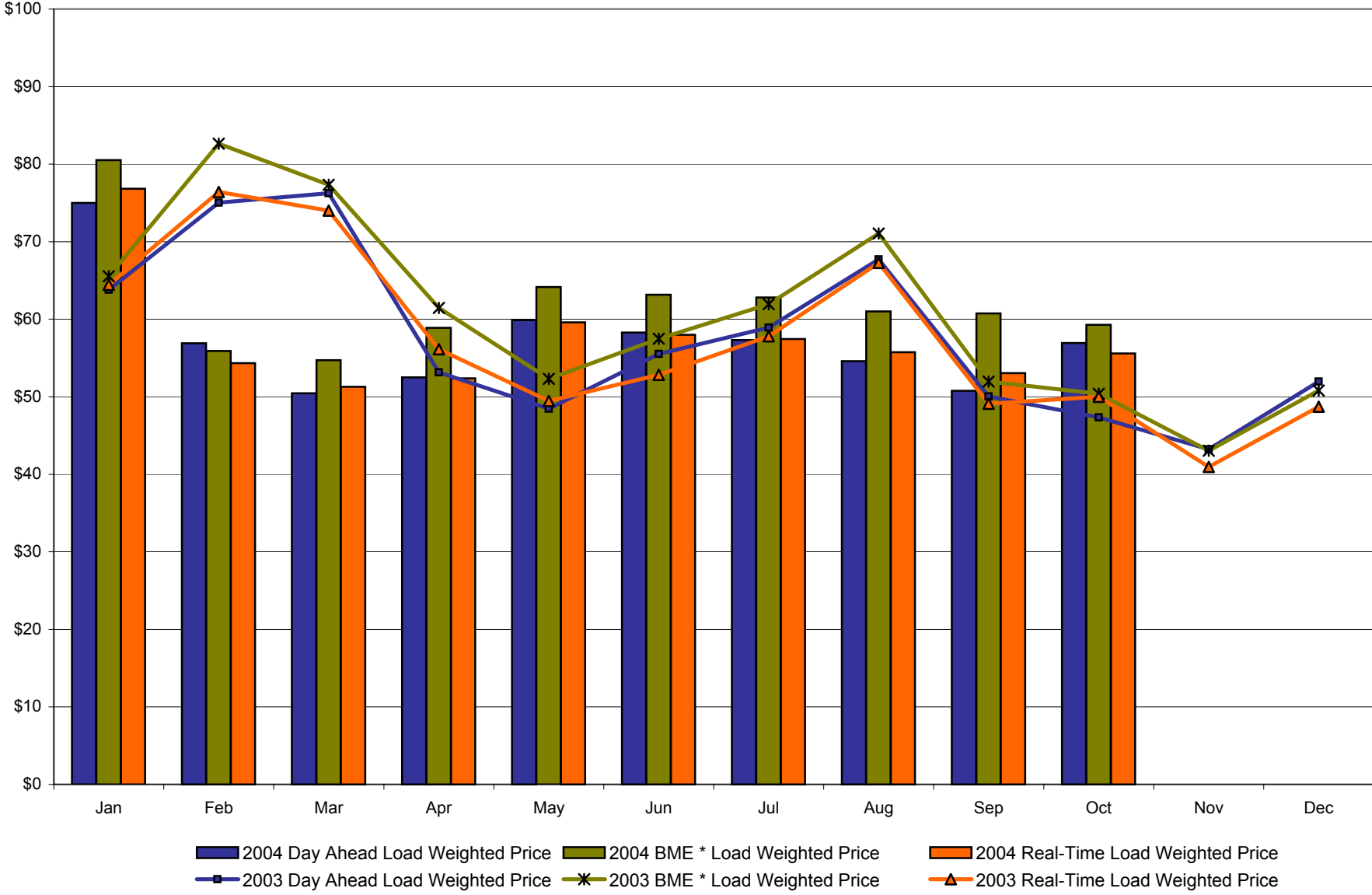
	January	February	March	April	May	June	July	August	September	October	November	December
<u>DAY AHEAD LBMP</u>												
Price *	\$61.33	\$72.81	\$73.18	\$51.58	\$46.43	\$51.45	\$57.10	\$64.94	\$48.29	\$45.81	\$41.58	\$50.07
Standard Deviation	\$20.09	\$21.12	\$29.70	\$12.47	\$14.03	\$21.27	\$11.88	\$18.06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

* Average zonal load weighted prices

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

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

**NYISO Monthly Average Internal LBMPs
2003 - 2004**



* Commonly referred to as Hour Ahead Market (HAM)

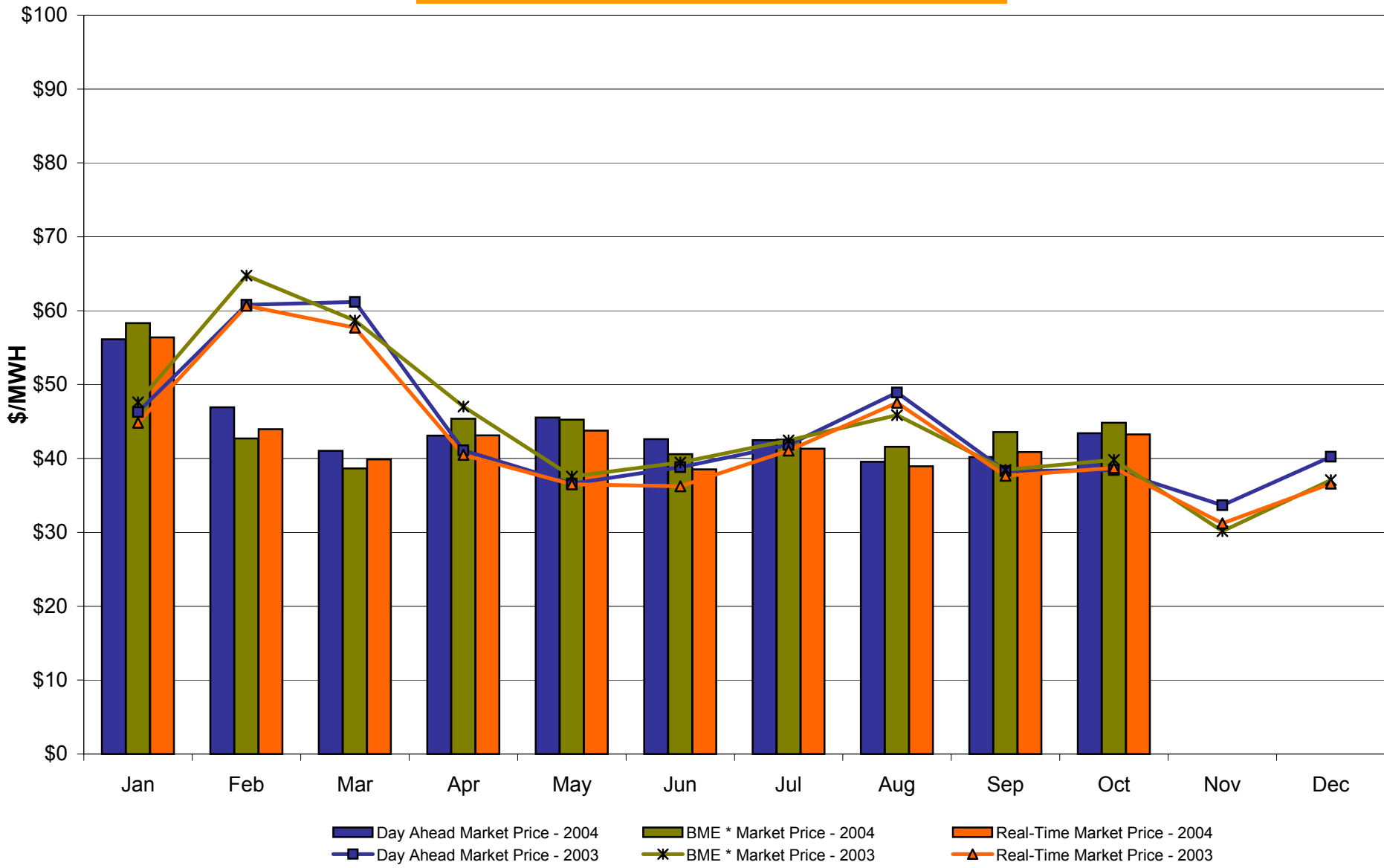
October 2004 Zonal Statistics for NYISO (\$/MWH)

	WEST Zone A	GENESEE Zone B	NORTH Zone D	CENTRAL Zone C	MOHAWK VALLEY Zone E	CAPITAL Zone F	HUDSON VALLEY Zone G	MILLWOOD Zone H	DUNWOODIE Zone I	NEW YORK CITY Zone J	LONG ISLAND Zone K
<u>DAY AHEAD LBMP</u>											
Unweighted Price *	43.41	46.33	46.10	47.39	48.46	52.45	51.85	51.79	52.00	63.10	64.25
Standard Deviation	9.92	10.73	10.71	11.17	11.41	13.20	13.18	14.78	15.06	16.08	13.53
<u>BME ** LBMP</u>											
Unweighted Price *	44.85	47.60	48.12	50.13	50.92	52.82	53.65	53.44	54.01	65.82	67.46
Standard Deviation	13.65	14.66	15.47	15.59	15.70	16.95	16.95	16.94	17.07	21.20	17.78
<u>REAL TIME LBMP</u>											
Unweighted Price *	43.26	46.60	46.02	46.48	47.48	47.48	51.44	51.65	52.28	60.23	63.11
Standard Deviation	15.74	17.38	17.46	17.34	17.96	20.55	19.08	19.23	19.44	20.28	20.67
	ONTARIO IMO Zone O	HYDRO QUEBEC Zone M	PJM Zone P	NEW ENGLAND Zone N							
<u>DAY AHEAD LBMP</u>											
Unweighted Price *	42.88	46.35	43.25	52.31							
Standard Deviation	9.65	11.20	12.13	13.26							
<u>BME ** LBMP</u>											
Unweighted Price *	40.50	48.74	40.55	52.74							
Standard Deviation	55.68	20.03	67.38	20.76							
<u>REAL TIME LBMP</u>											
Unweighted Price *	40.09	46.52	38.21	51.85							
Standard Deviation	56.44	21.97	67.55	23.48							

* Straight zonal LBMP averages

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

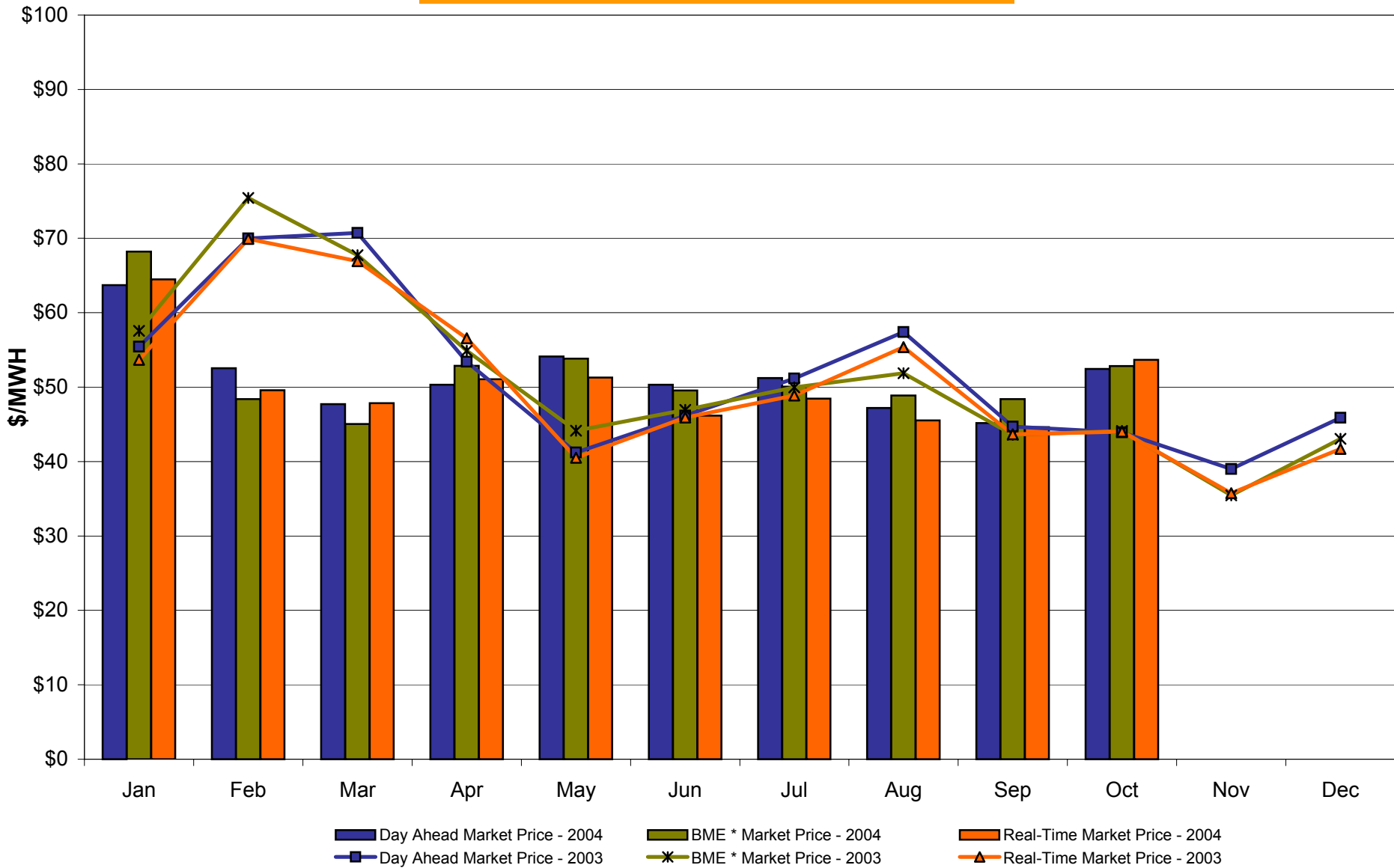
West Zone A Monthly Average LBMP Prices 2003 - 2004



4-H

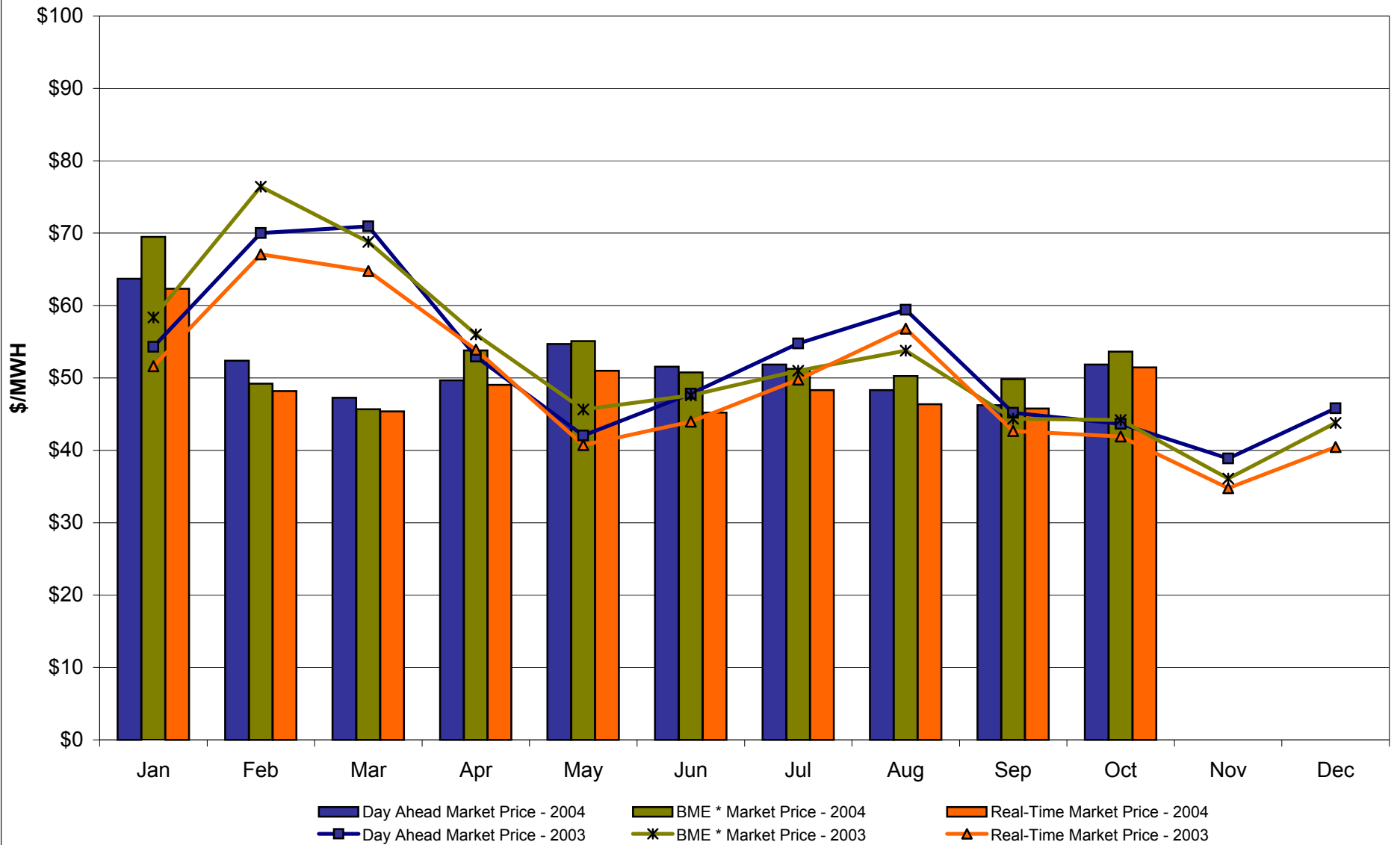
* Commonly referred to as Hour Ahead Market (HAM)

Capital Zone F Monthly Average LBMP Prices 2003 - 2004



* Commonly referred to as Hour Ahead Market (HAM)

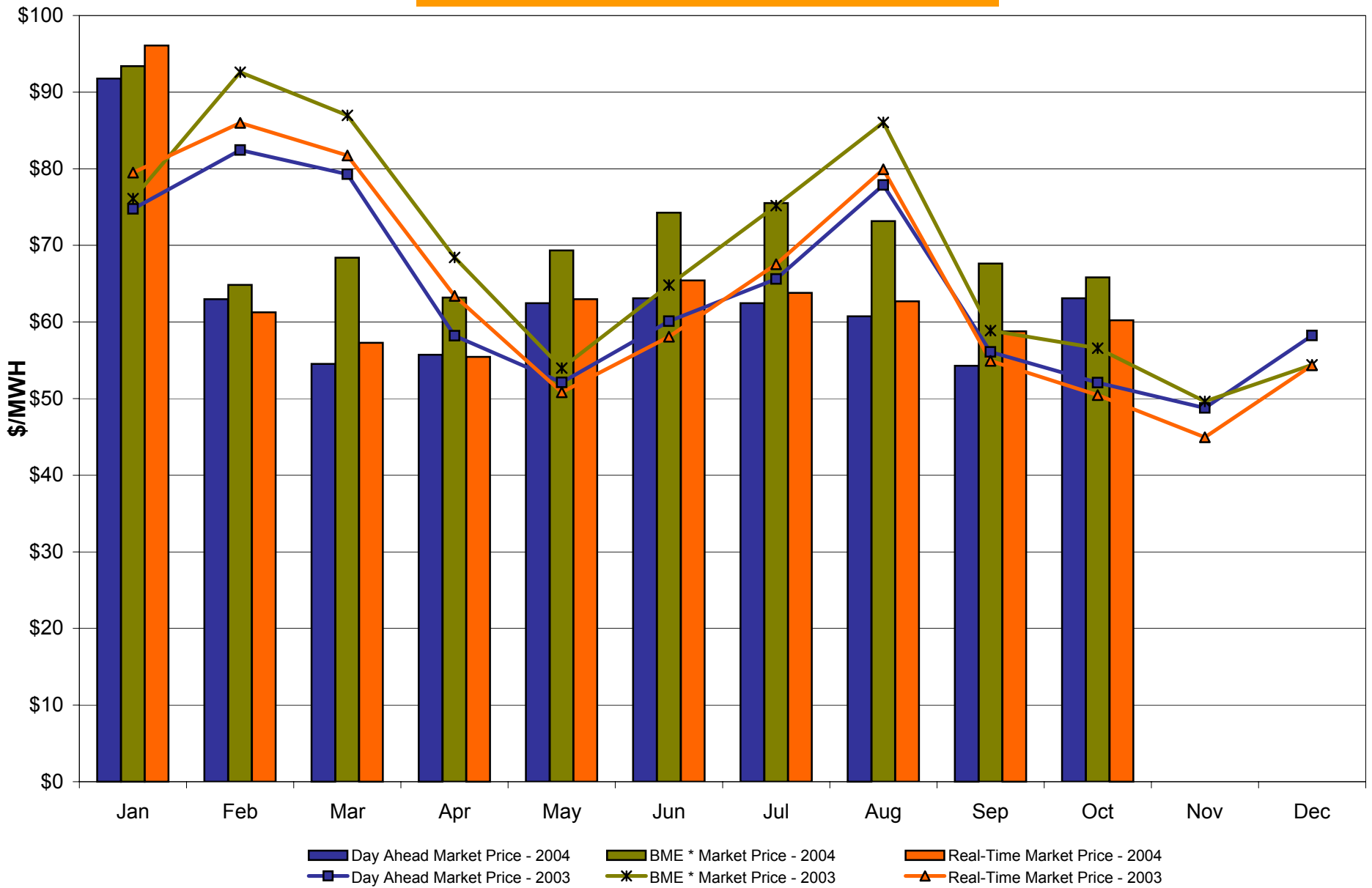
Hudson Valley Zone G Monthly Average LBMP Prices 2003 - 2004



* Commonly referred to as Hour Ahead Market (HAM)

4-J

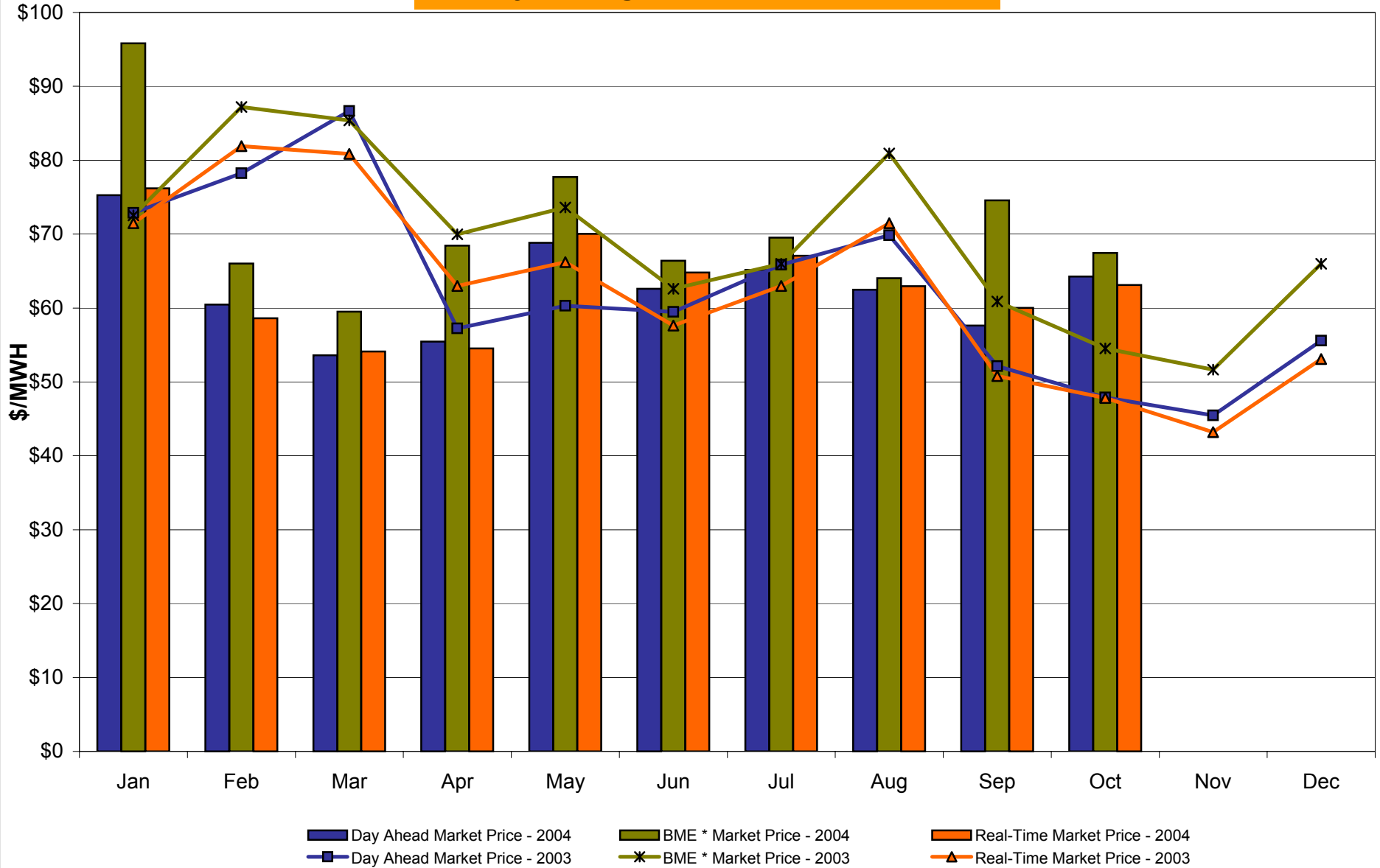
NYC Zone J Monthly Average LBMP Prices 2003 - 2004



* Commonly referred to as Hour Ahead Market (HAM)

4-K

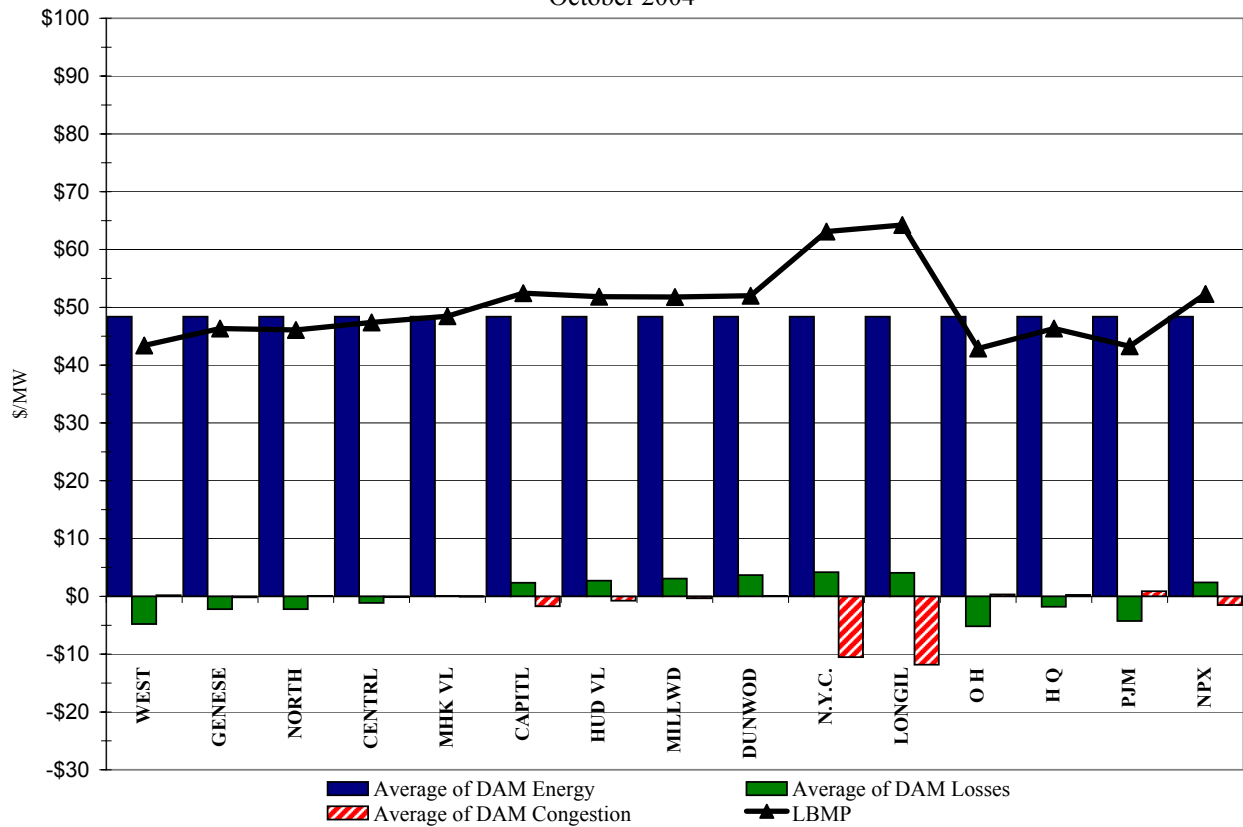
Long Island Zone K Monthly Average LBMP Prices 2003 - 2004



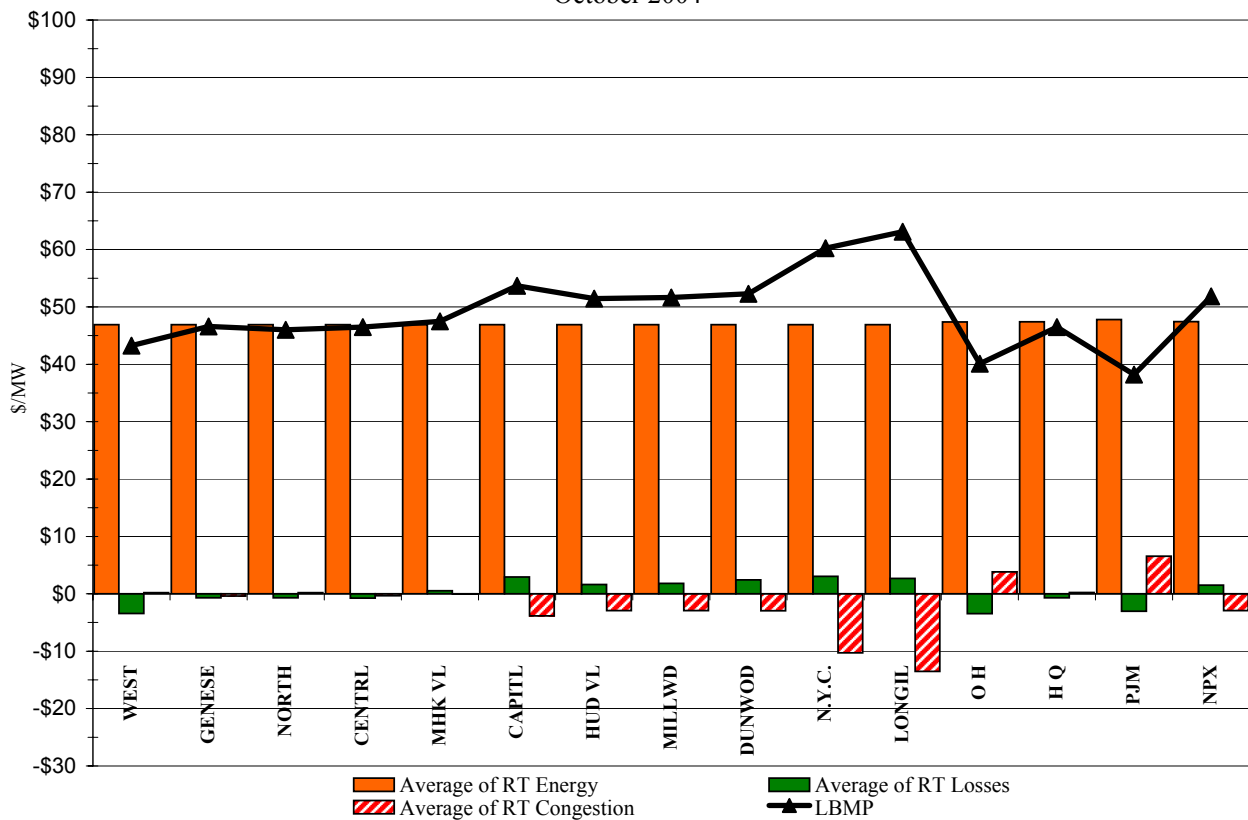
* Commonly referred to as Hour Ahead Market (HAM)

4-L

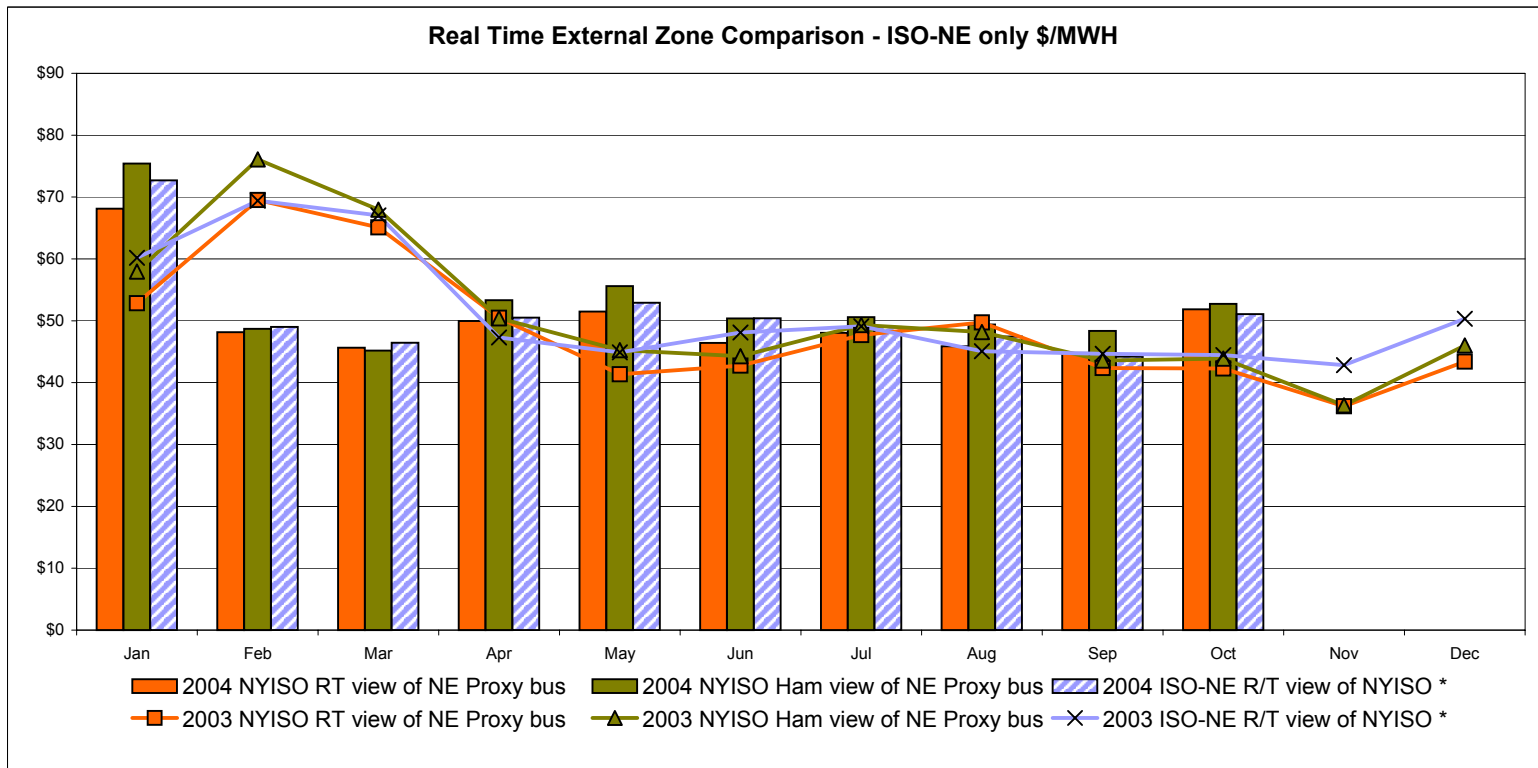
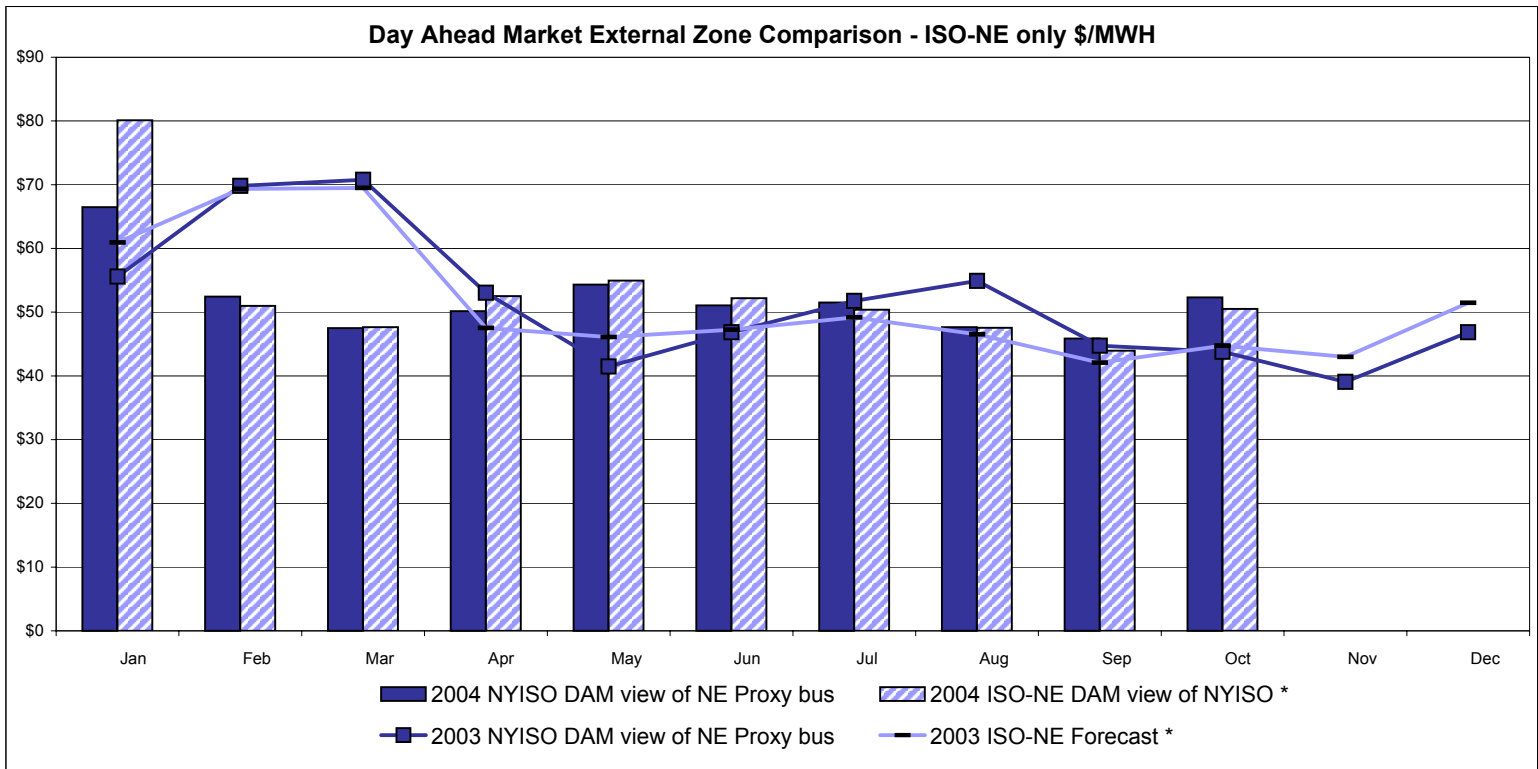
DAM Zonal Unweighted Monthly Average LBMP Components
October 2004



RT Zonal Unweighted Monthly Average LBMP Components
October 2004



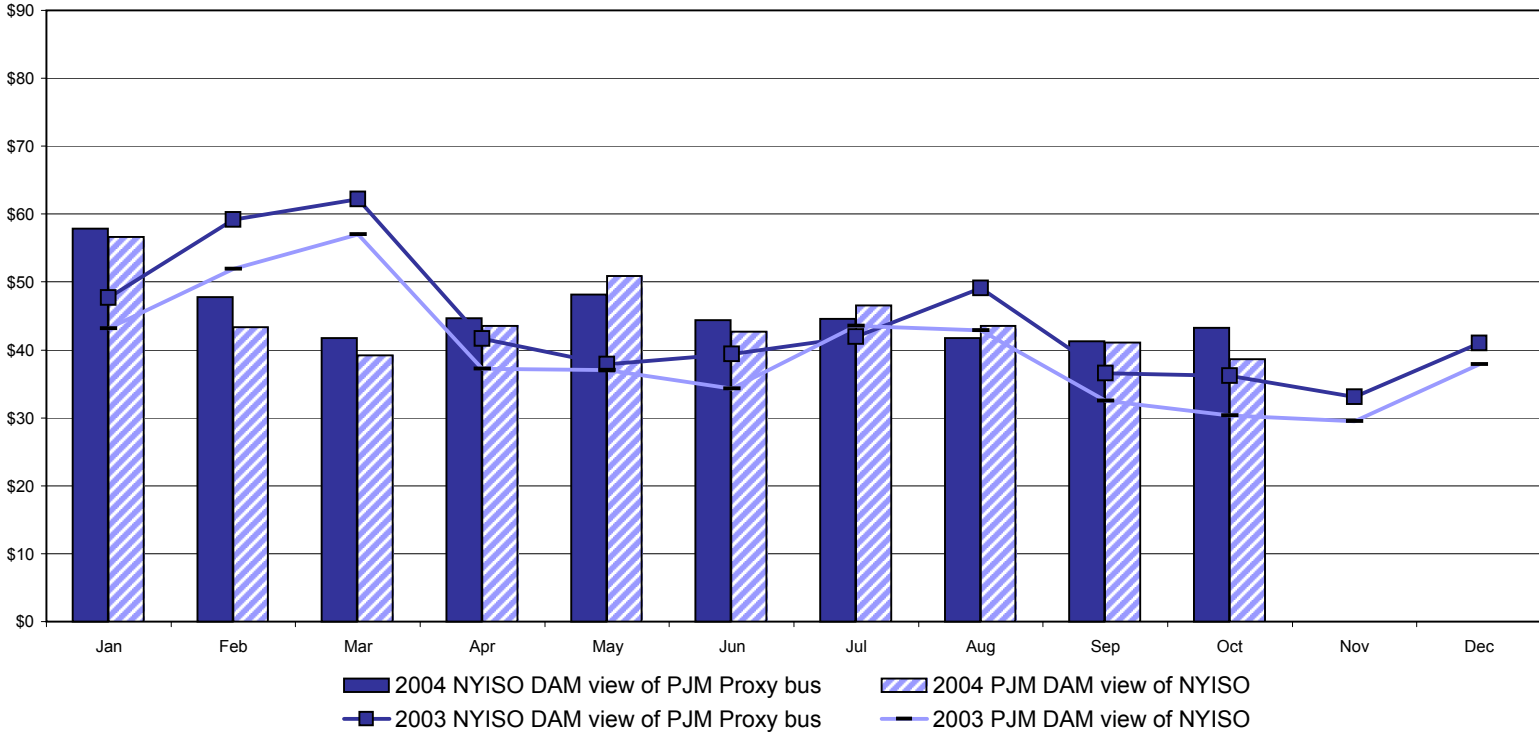
External Comparison ISO-NE



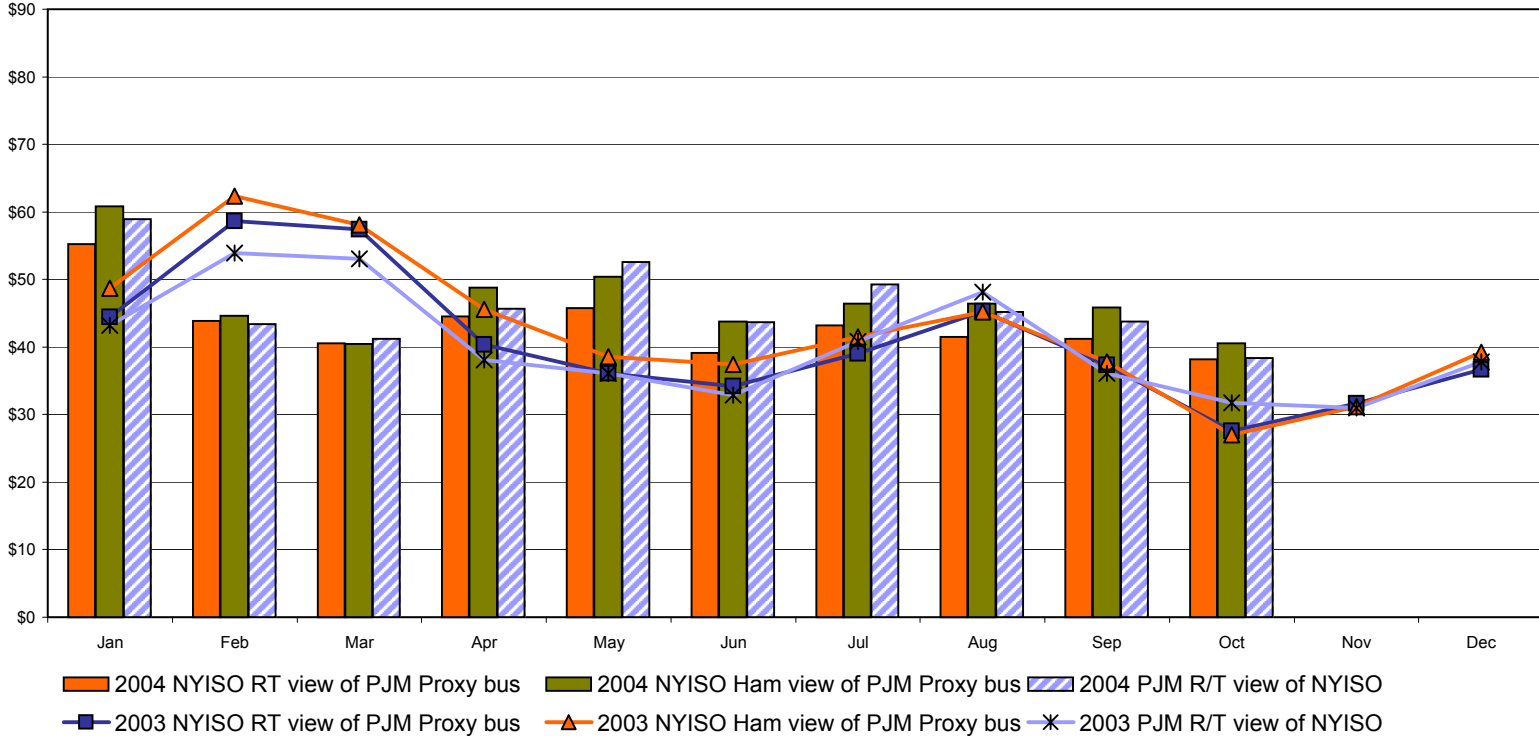
Note:
 ISO-NE Forecast is an advisory posting @ 18:00 day before
 * Effective 3/1/2003 SMD implemented by ISO-NE. The DAM and R/T prices at the Roseton interface are now used.

External Comparison PJM

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

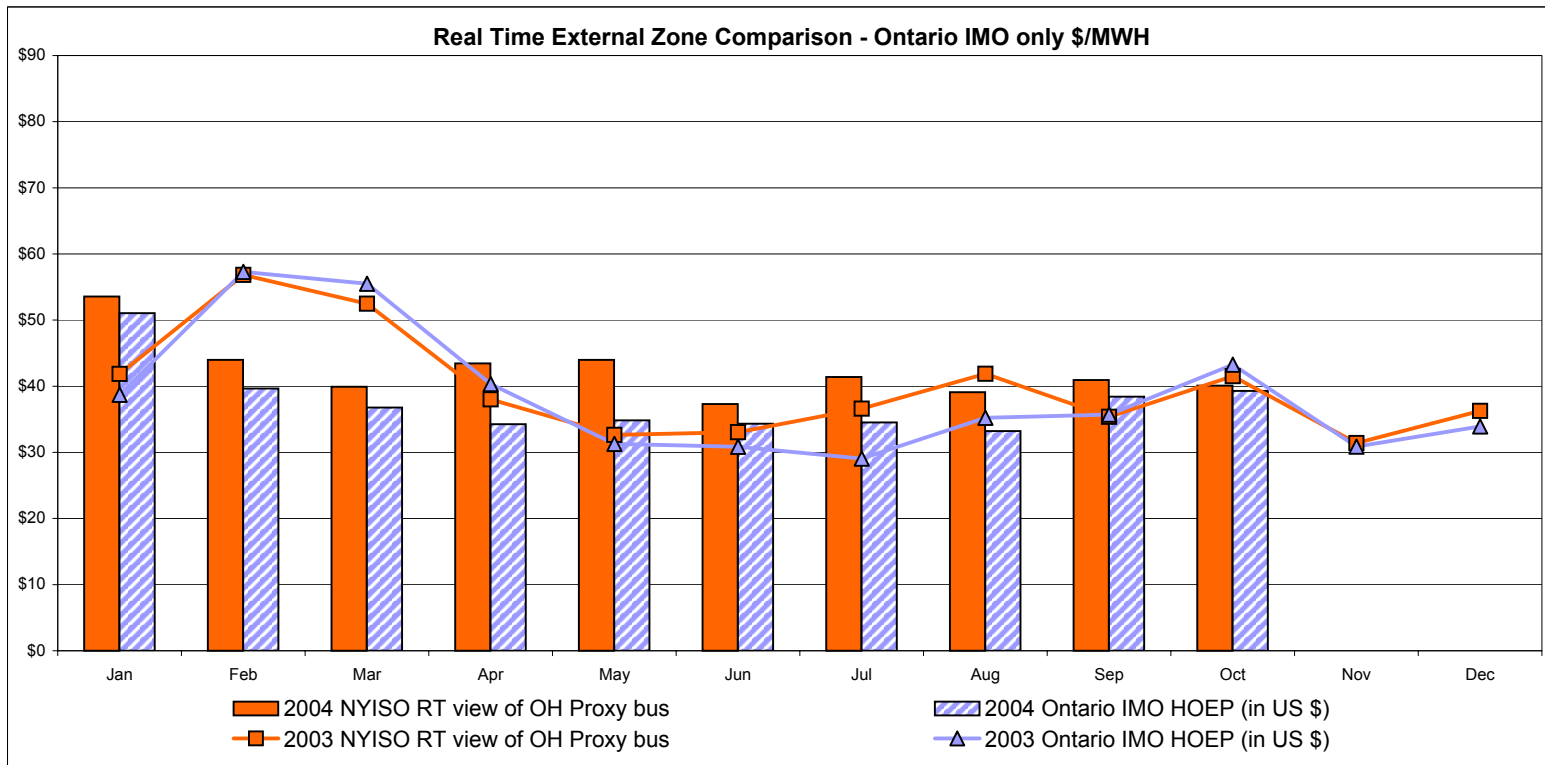
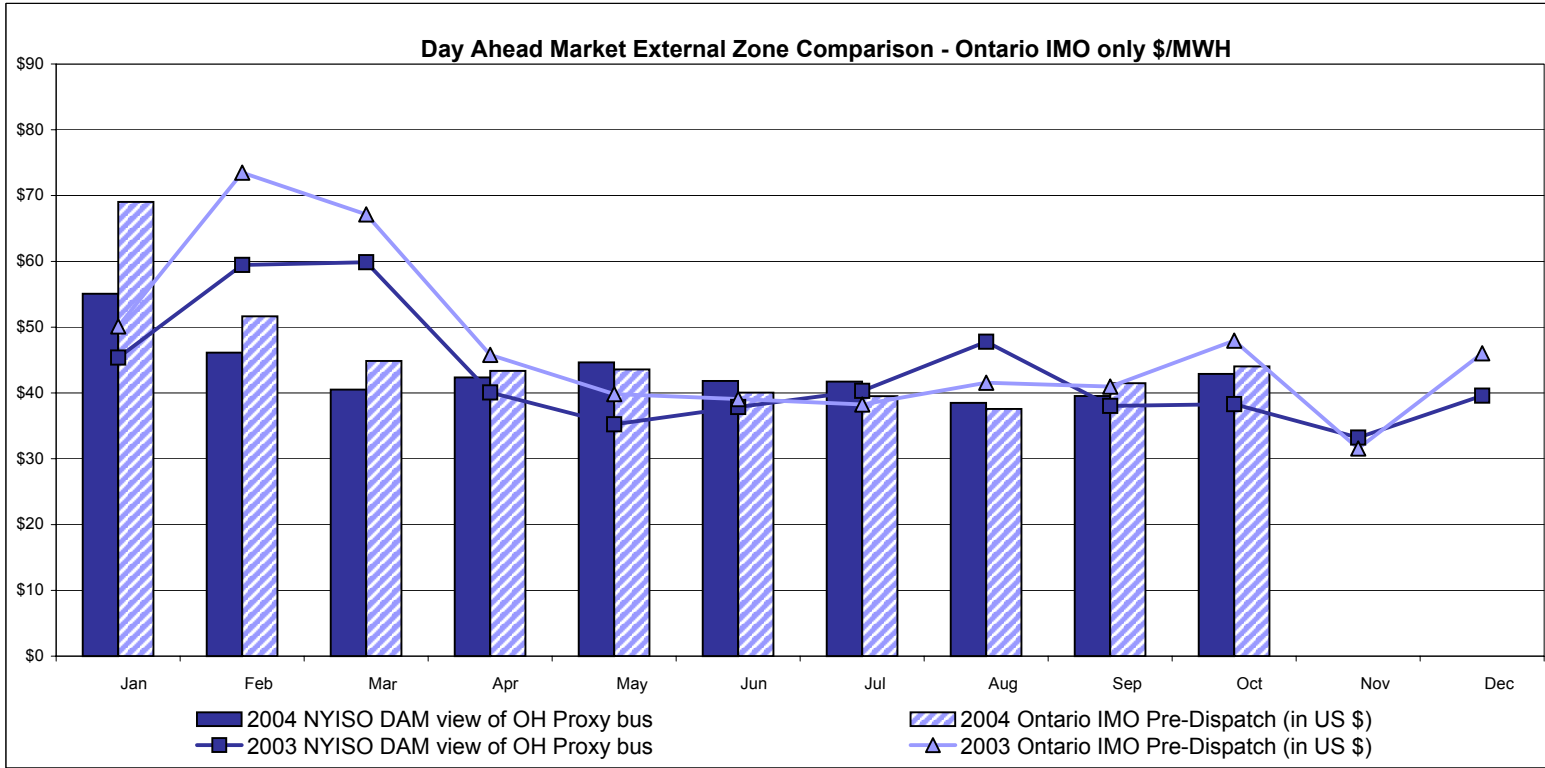


Real Time External Zone Comparison - PJM only \$/MWH



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

External Comparison Ontario IMO



Notes: Exchange factor used for October 2004 was .80 to US \$
 HOEP: Hourly Ontario Energy Price
 Pre-Dispatch: Projected Energy Price
 Pre-Dispatch data from 8/14/03 Hr 15 thru 8/21/03 not included

NYISO Price Correction Statistics

NYISO Price Corrections 2004

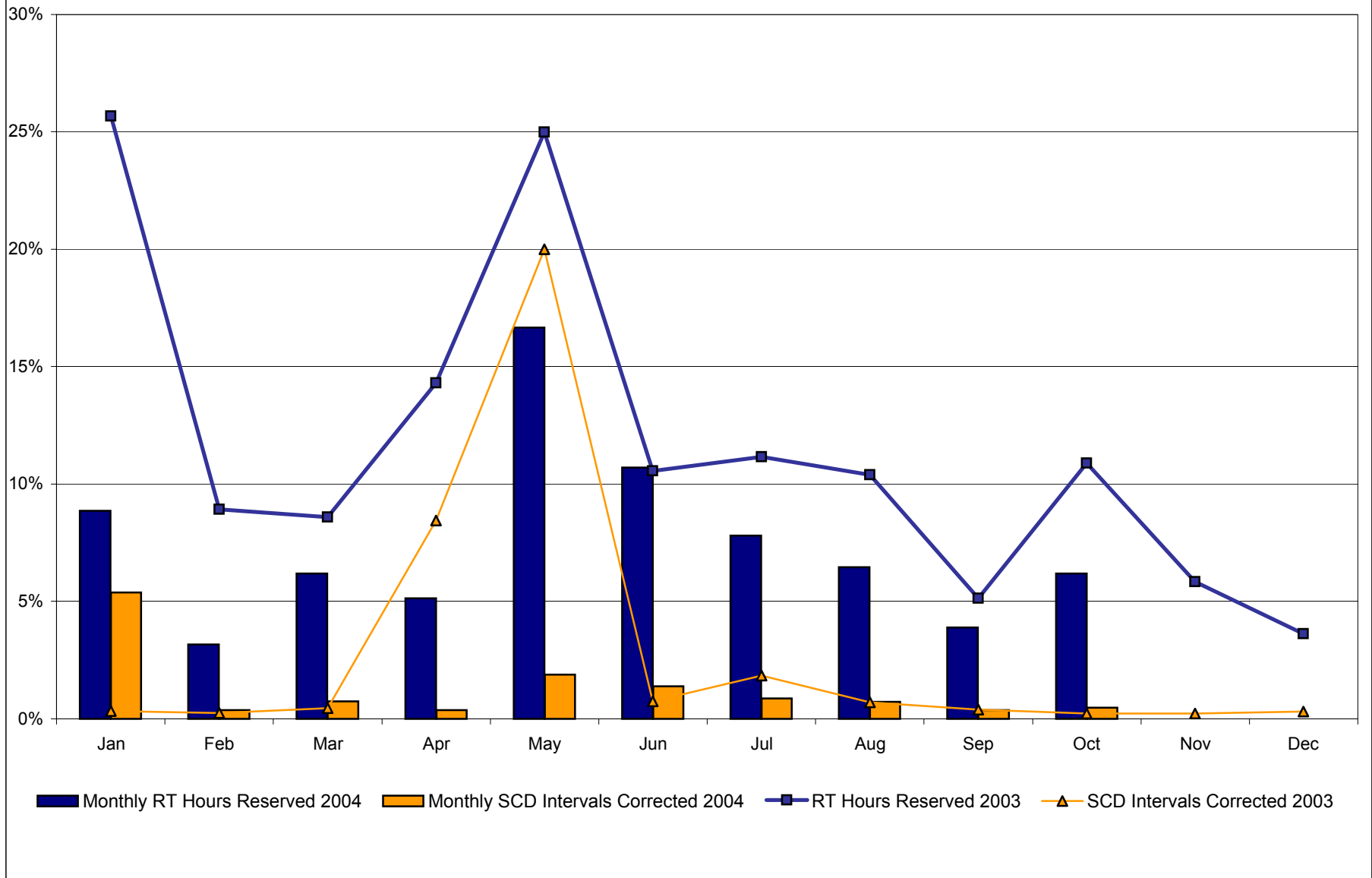
<u>Interval Corrections</u>	January	February	March	April	May	June	July	August	September	October	November	December
Number of Intervals corrected in the month	597	40	83	40	220	156	100	84	42	56		
Number of Intervals in the month	11,089	10,495	11,085	10,805	11,740	11,234	11,467	11,552	11,178	11,515		
Percentage of intervals corrected in the month	5.38%	0.38%	0.75%	0.37%	1.87%	1.39%	0.87%	0.73%	0.38%	0.49%		
Number of Intervals corrected Year-to-date	597	637	720	760	980	1,136	1,236	1,320	1,362	1,418		
Number of Intervals Year-to-date	11,089	21,584	32,669	43,474	55,214	66,448	77,915	89,467	100,645	112,160		
Percentage of intervals corrected Year-to-date	5.38%	2.95%	2.20%	1.75%	1.77%	1.71%	1.59%	1.48%	1.35%	1.26%		
<u>Hours Reserved</u>												
Number of hours reserved in the month	66	22	46	37	124	77	58	48	28	46		
Number of hours in the month	744	696	744	720	744	720	744	744	720	744		
Percentage of hours reserved in the month	8.87%	3.16%	6.18%	5.14%	16.67%	10.69%	7.80%	6.45%	3.89%	6.18%		
Number of hours reserved Year-to-date	66	88	134	171	295	372	430	478	506	552		
Number of hours Year-to-date	744	1,440	2,184	2,904	3,648	4,368	5,112	5,856	6,576	7,320		
Percentage of hours reserved Year-to-date	8.87%	6.11%	6.14%	5.89%	8.09%	8.52%	8.41%	8.16%	7.69%	7.54%		
<u>Days Without Corrections</u>												
Days without price corrections in the month	14	20	11	9	8	6	9	12	12	14		
Days without price corrections Year-to-date	14	34	45	54	62	68	77	89	101	115		

NYISO Price Corrections 2003

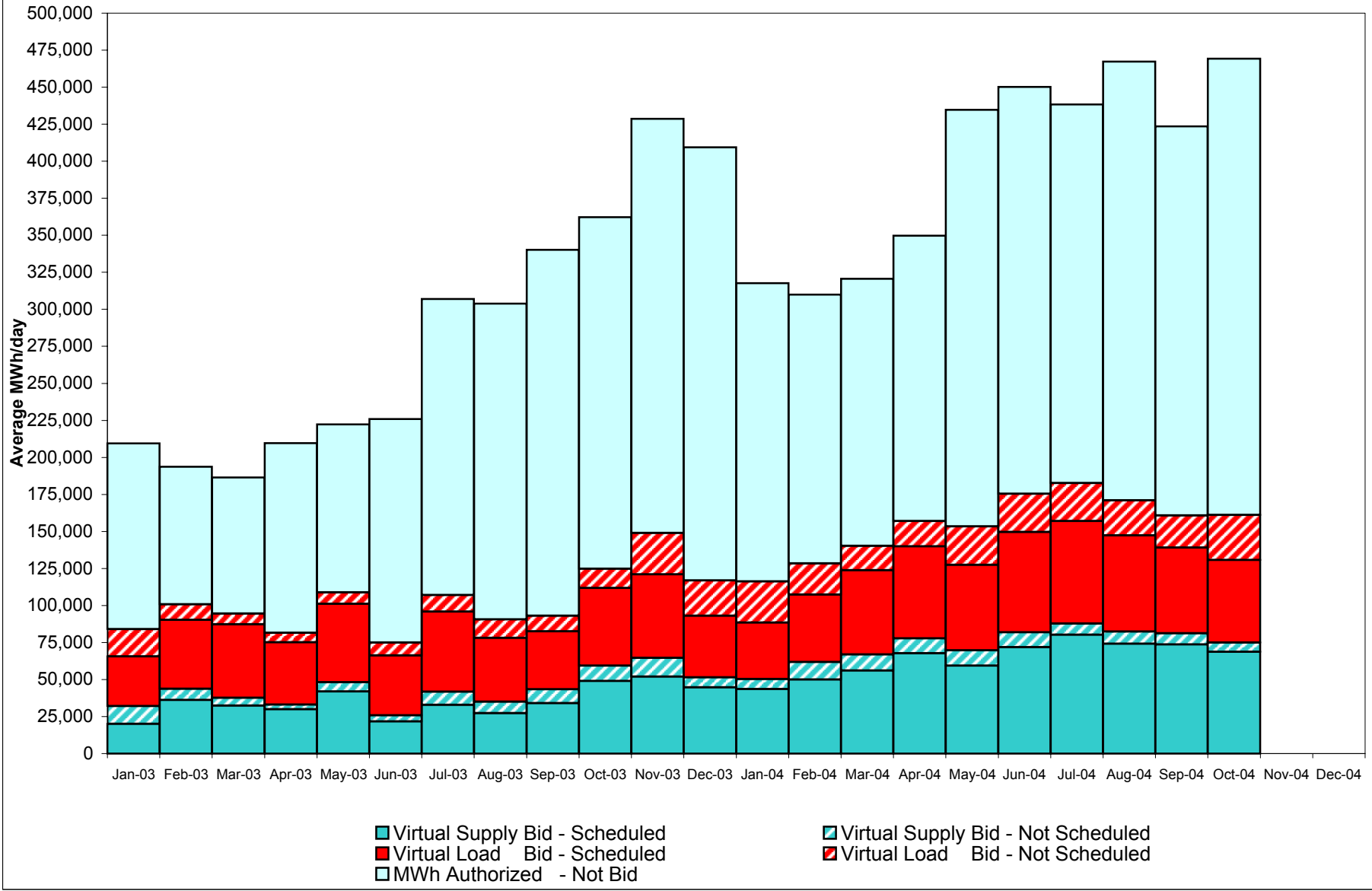
<u>Interval Corrections</u>	January	February	March	April	May	June	July	August	September	October	November	December
Number of Intervals corrected in the month	36	25	49	891	2,254	79	202	71	41	25	25	34
Number of Intervals in the month	10,986	10,197	10,918	10,554	11,274	10,729	10,998	9,973	10,620	11,248	10,629	11,175
Percentage of intervals corrected in the month	0.32%	0.25%	0.45%	8.44%	19.99%	0.74%	1.84%	0.71%	0.39%	0.22%	0.24%	0.30%
Number of Intervals corrected Year-to-date	36	61	110	1,001	3,255	3,334	3,536	3,607	3,648	3,673	3,698	3,732
Number of Intervals Year-to-date	10,986	21,183	32,101	42,655	53,929	64,658	75,656	85,629	96,249	107,497	118,126	129,301
Percentage of intervals corrected Year-to-date	0.32%	0.28%	0.34%	2.35%	6.04%	5.16%	4.67%	4.21%	3.79%	3.42%	3.13%	2.89%
<u>Hours Reserved</u>												
Number of hours reserved in the month	191	60	64	103	186	76	83	69	37	81	42	27
Number of hours in the month	744	672	744	720	744	720	744	664 *	720	744	720	744
Percentage of hours reserved in the month	25.67%	8.93%	8.60%	14.31%	25.00%	10.56%	11.16%	10.39%	5.14%	10.89%	5.83%	3.63%
Number of hours reserved Year-to-date	191	251	315	418	604	680	763	832	869	950	992	1,019
Number of hours Year-to-date	744	1,416	2,160	2,880	3,624	4,344	5,088	5,752	6,472	7,216	7,936	8,680
Percentage of hours reserved Year-to-date	25.67%	17.73%	14.58%	14.51%	16.67%	15.65%	15.00%	14.46%	13.43%	13.17%	12.50%	11.74%
<u>Days Without Corrections</u>												
Days without price corrections in the month	17	15	14	9	8	8	7	5	9	17	15	14
Days without price corrections Year-to-date	17	32	46	55	63	71	78	83	92	109	124	138

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

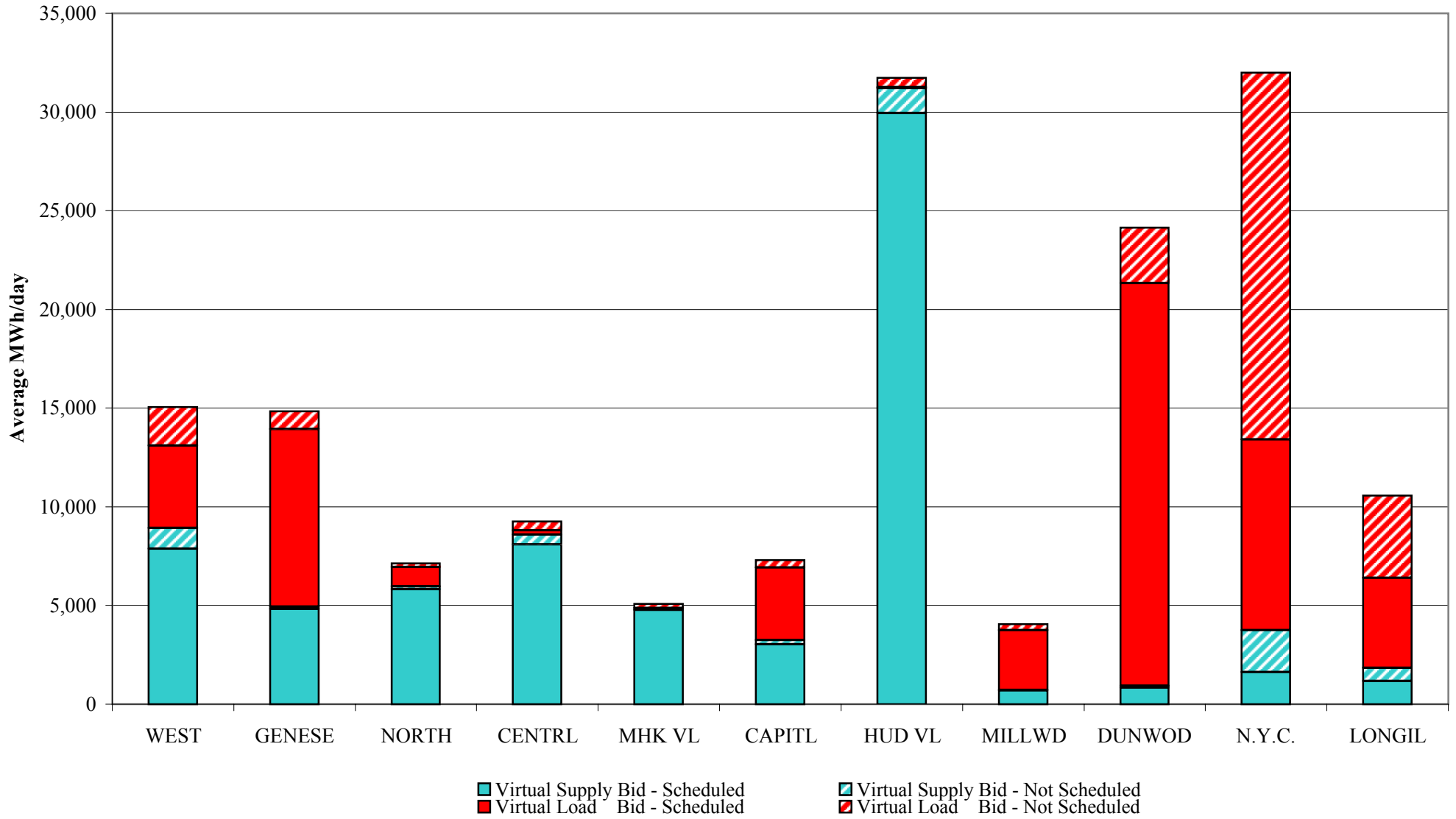
Percentage of Real-Time Corrections



**NYISO Virtual Trading
Average MWh per day**

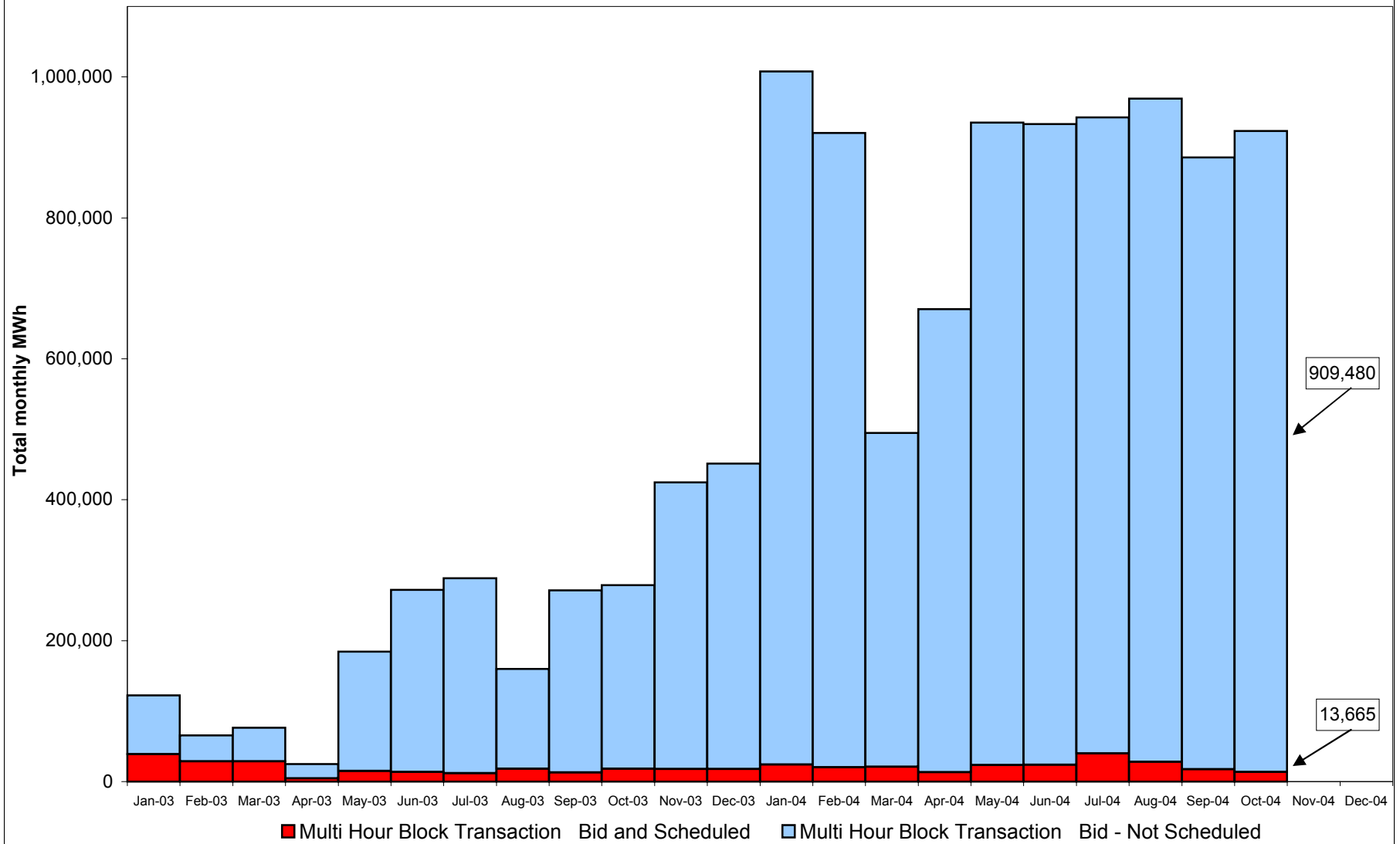


Virtual Load and Supply Zonal Statistics October 2004

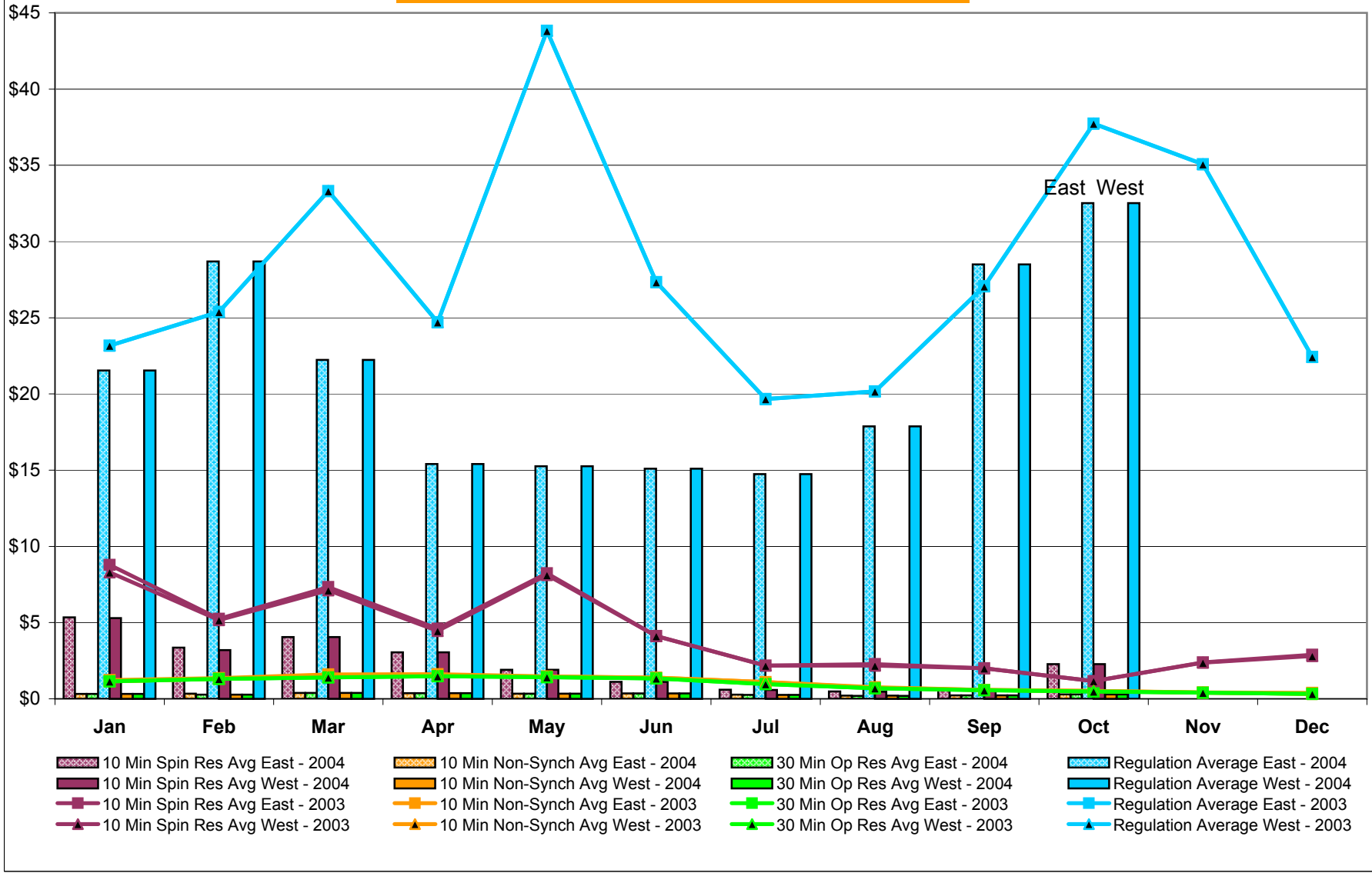


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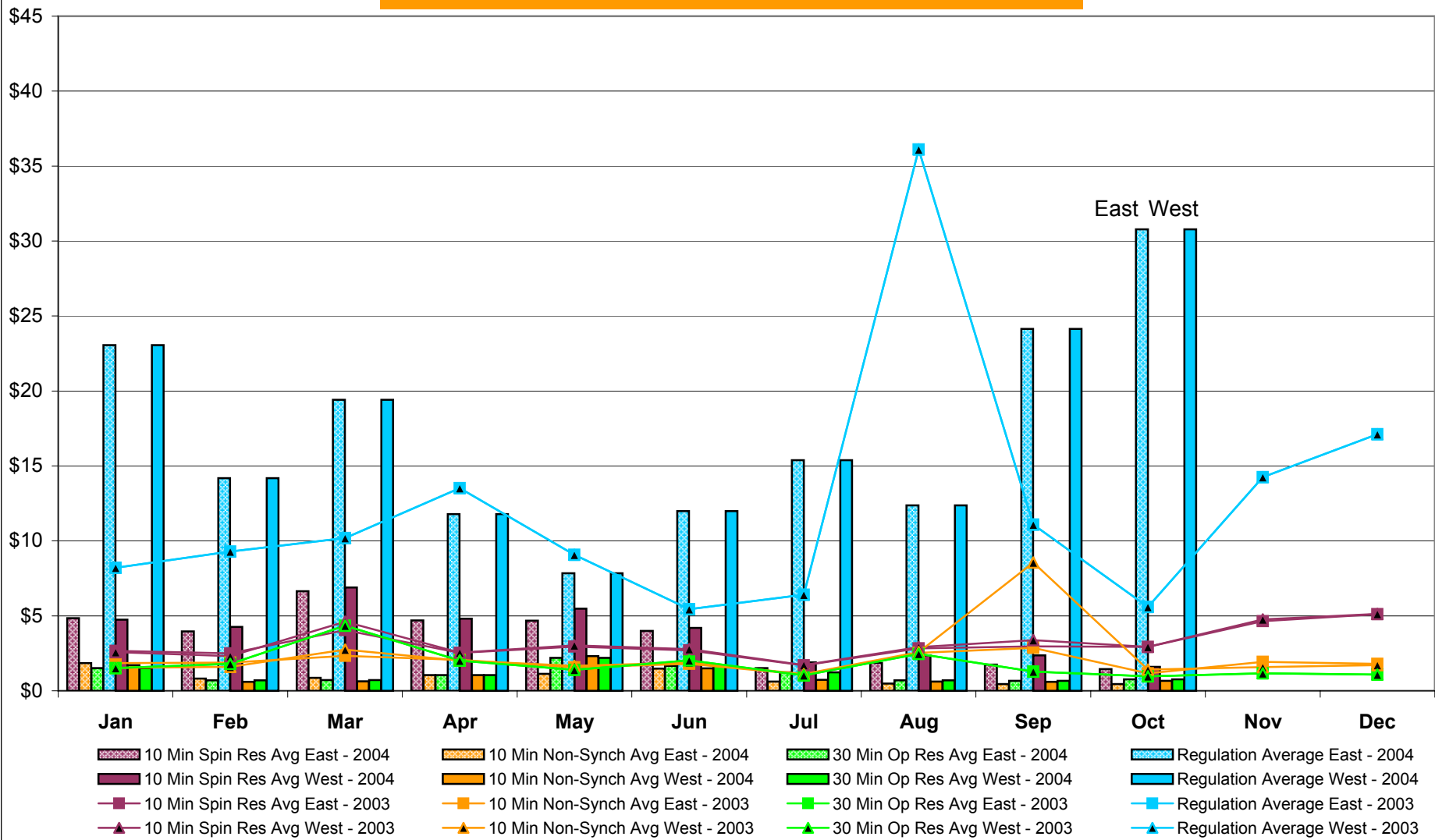
NYISO Multi Hour Block Transactions Monthly Total MWh



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



NYISO Monthly Average Ancillary Service Prices BME * 2003 - 2004



* 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) 2004

Day Ahead Market

10 Min Spin East	5.35	3.36	4.05	3.04	1.91	1.11	0.60	0.49	0.55	2.28
10 Min Spin West	5.29	3.20	4.05	3.04	1.90	1.11	0.58	0.47	0.54	2.27
10 Min Non Synch East	0.33	0.33	0.39	0.38	0.34	0.35	0.27	0.21	0.23	0.30
10 Min Non Synch West	0.32	0.27	0.39	0.38	0.33	0.35	0.26	0.20	0.22	0.29
30 Min East	0.32	0.27	0.39	0.38	0.33	0.35	0.26	0.20	0.22	0.29
30 Min West	0.32	0.27	0.39	0.38	0.33	0.35	0.26	0.20	0.22	0.29
Regulation East	21.54	28.69	22.23	15.41	15.26	15.10	14.74	17.88	28.50	32.51
Regulation West	21.54	28.69	22.23	15.41	15.26	15.10	14.74	17.88	28.50	32.51

BME* Market

10 Min Spin East	4.84	3.96	6.65	4.69	4.67	3.99	1.51	1.87	1.75	1.45
10 Min Spin West	4.75	4.27	6.89	4.82	5.48	4.20	1.90	2.36	2.36	1.60
10 Min Non Synch East	1.85	0.81	0.87	1.05	1.14	1.49	0.62	0.49	0.45	0.45
10 Min Non Synch West	1.71	0.60	0.64	1.06	2.31	1.49	0.73	0.61	0.60	0.66
30 Min East	1.51	0.70	0.72	1.06	2.20	1.67	1.23	0.71	0.67	0.76
30 Min West	1.51	0.70	0.72	1.06	2.20	1.67	1.23	0.71	0.67	0.76
Regulation East	23.07	14.18	19.41	11.78	7.85	11.98	15.38	12.36	24.14	30.79
Regulation West	23.07	14.18	19.41	11.78	7.85	11.98	15.38	12.36	24.14	30.79

ANCILLARY SERVICES Unweighted Price (\$/MWH) 2003

Day Ahead Market

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

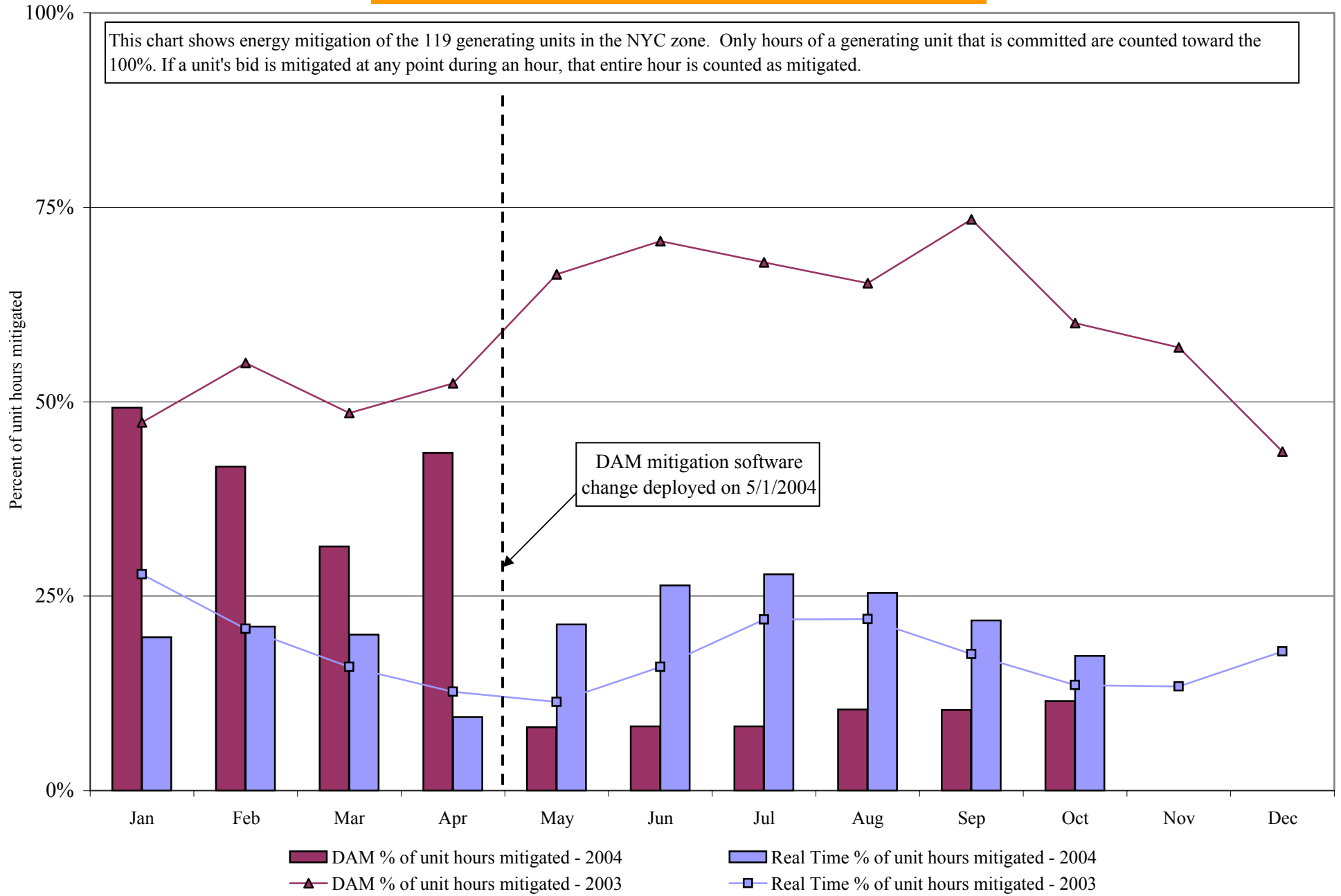
BME* Market

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

* Commonly Referred to as Hour Ahead Market (HAM)

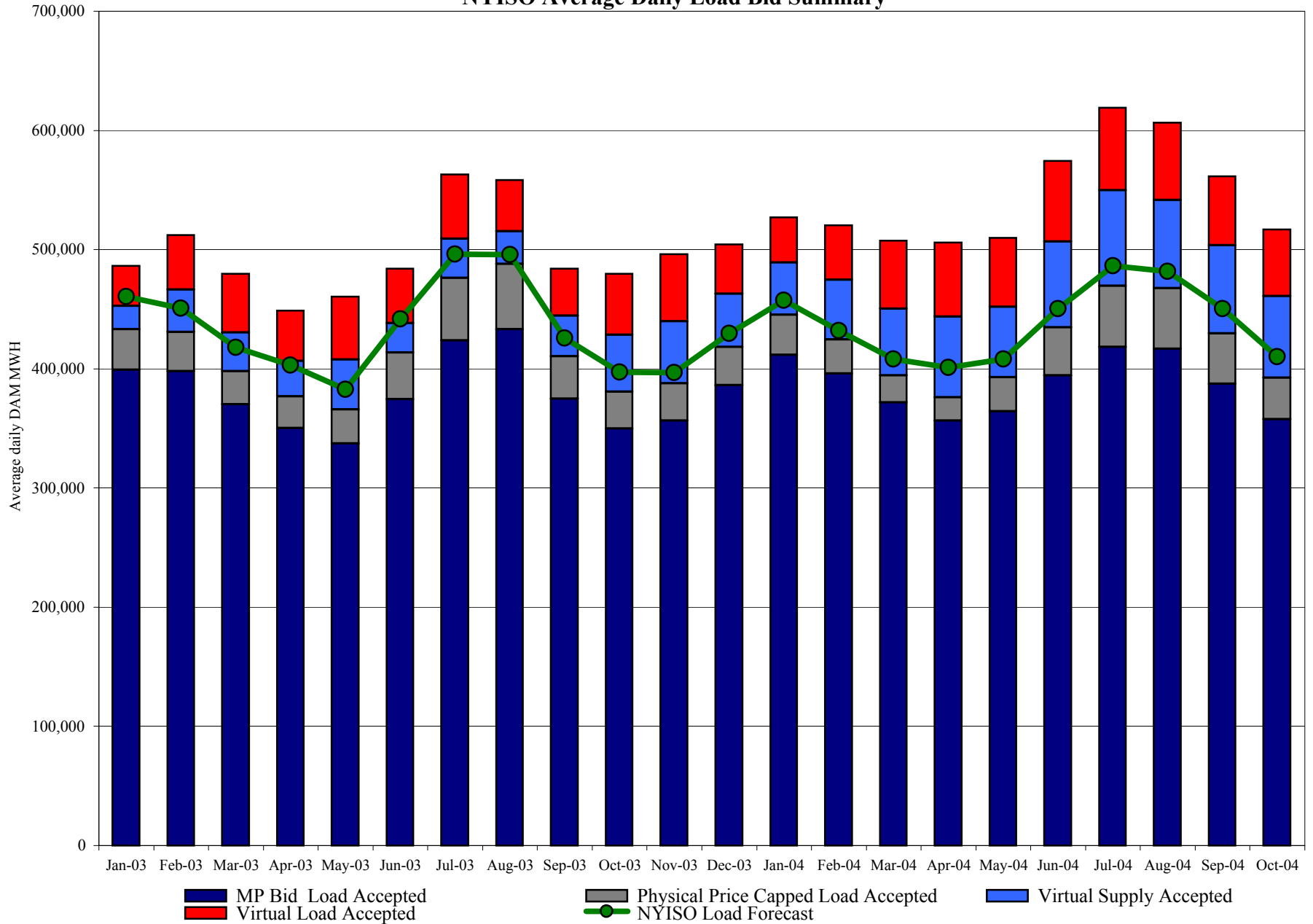
NYISO In City Energy Mitigation (NYC Zone) 2003-2004

Percentage of committed unit-hours mitigated

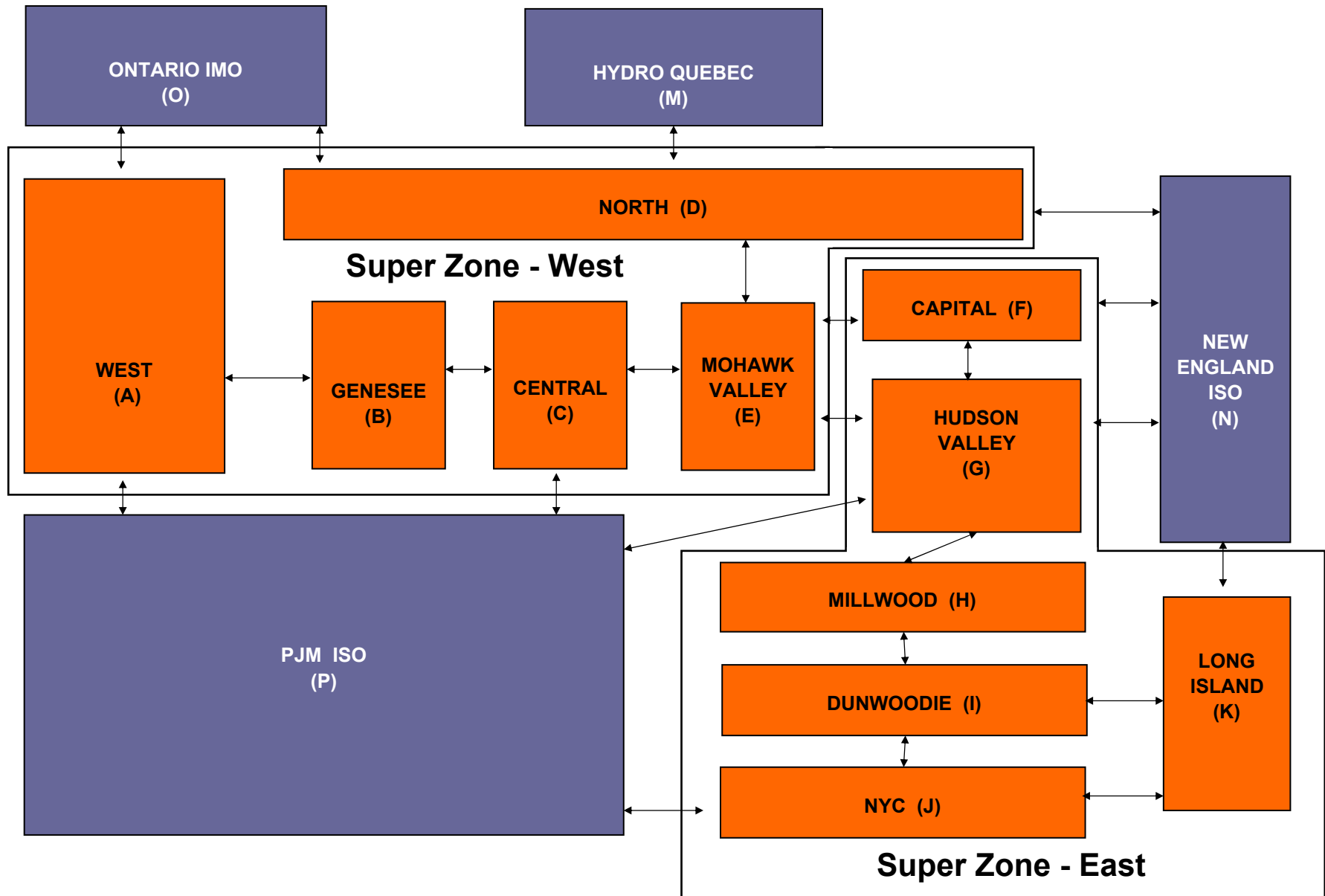


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NYISO Average Daily Load Bid Summary




NYISO LBMP ZONES

















RELIABILITY GATEWAY GOAL

1. Maintain service to NYCA load. No interruption of load because of improper implementation of NYISO operating procedures by the NYISO.		--	No loss of load or deliberate load shedding triggering a NERC reportable event (>300MW for >15 minutes)
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MARKET GATEWAY GOAL

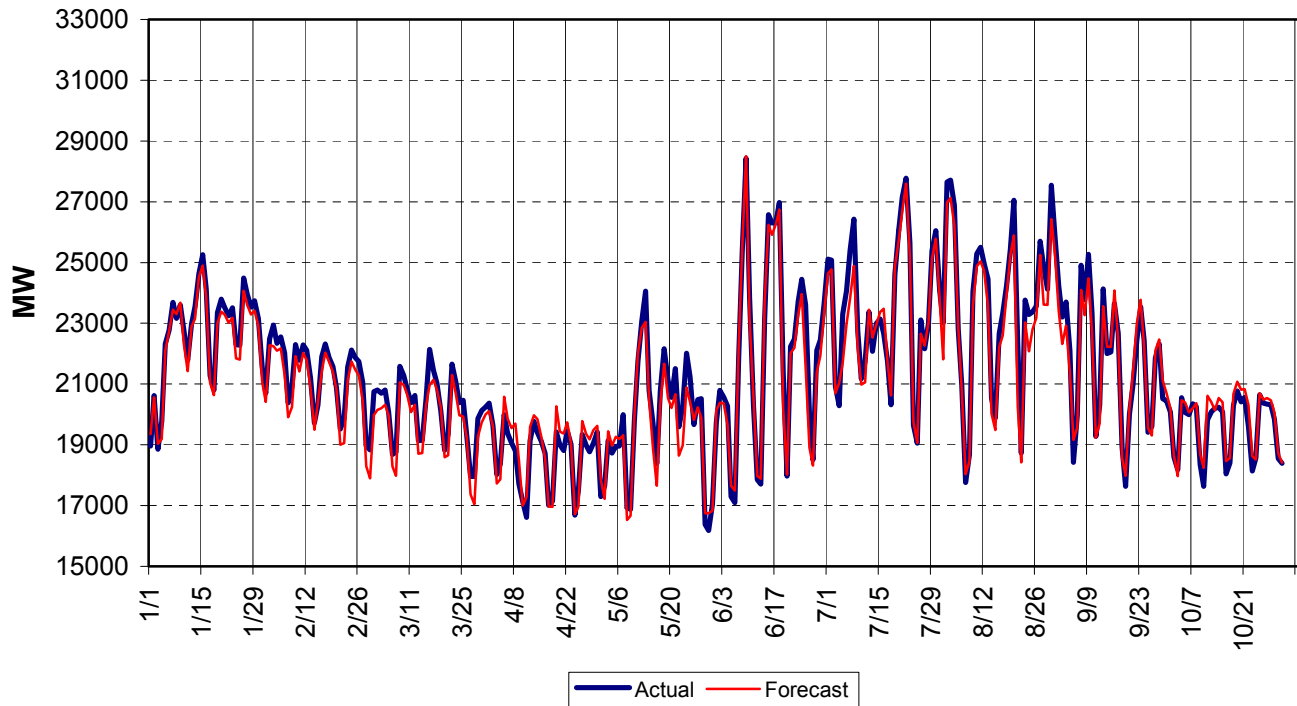
2. Successfully post DAM schedules/forward contracts.		--	DAM schedules/forward contracts are posted >=99.7% of the time during 2004
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Goal Values

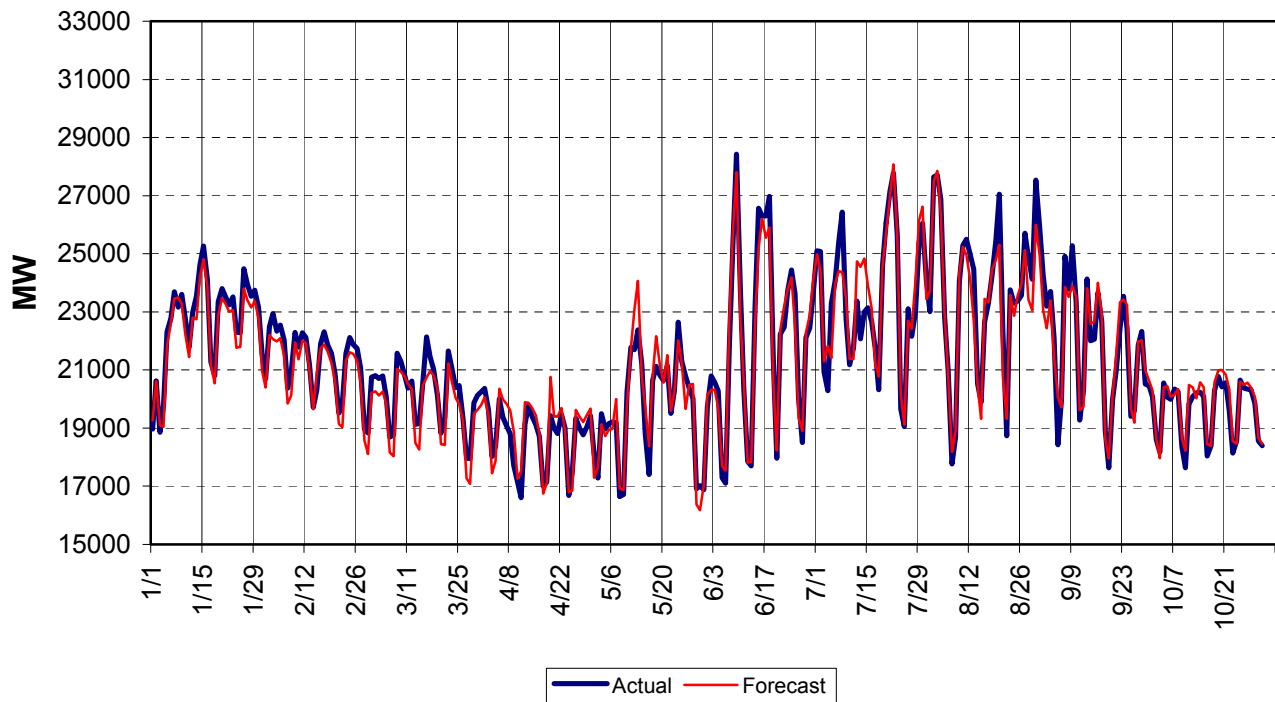
Goal Description	YTD Data	Threshold Payout-50%	Target Payout-100%	Superior Payout-150%
3. Comprehensive Electric System Planning a. Complete Phase I Study b. Complete FERC filing of Phase II	 Submitted 5/15 & 8/20	7/1/04 12/1/04	6/1/04 11/1/04	5/15/04 10/1/04
4. Comply with NERC/NAERO Operating Standards a. CPS-2: b. Disturbance Control Standards (DCS):	 10/10 months Oct. – 96.77%  10/10 months	10 of 12 months 10 of 12 months	12 of 12 months 11 of 12 months	-- 12 of 12 months
5.a. Achieve timely posting of DAM schedules and forward contracts. Post by 11 a.m.: b. i) MIS availability >= 9x.x% as planned, based on current availability metrics ii) During the year, an individual occurrence of unplanned (i.e., <48 hours' notice) service interruptions will not be greater than 4 hours; there won't be more than:	 305/305 postings  October– 100.00%  5 occurrences	360/366 postings 10 of 12 months 3 occurrences of 1-4 hours each	363/366 postings 11 of 12 months 2 occurrences of 1-4 hours each	366/366 postings 12 of 12 months 1 occurrence of 1-4 hours
6. Improve the certainty and accuracy of Real-Time prices: a. Hours reserved: b. Intervals corrected:	 Through October– 7.54%  1.26%	<= 12% <= 0.6%	<= 10% <= 0.5%	<= 8% <= 0.4%
7. Improve the billing and true-up process: a. Posting of all invoices within 5 business-days of the month according to invoice schedule b. Metering improvements c. Turnaround of Billing Defects (from NYISO notification)	 9/11 months (12/03-11/04)  --  40 B-Ds	10 of 12 months Finalize a formal meter quality and tracking program 40 B-Ds	11 of 12 months Implement program with Meter Authority agreement 35 R-Ds	12 of 12 months Finalize test schedule & replacement with meter authorities 30 B-Ds
8. Improve Customer Satisfaction with NYISO services as determined via surveying three times annually (average baseline score: 6.397)	 July survey: 6.732; Weighted YTD: 6.738	Score of >= 6.525	Score of >= 6.653	Score of >= 6.781
9. Project execution (weighted 20%) a. 1) Project Management – Scheduling 2) Project Management - Costs b. SMD2	 9 projects qualified – 0 miss (sch);  0 miss (cost) *	3 misses 3 misses 11/16	2 misses 2 misses 10/12	<=1 miss <=1 miss --

* internal schedule driving to 12/1 deployment

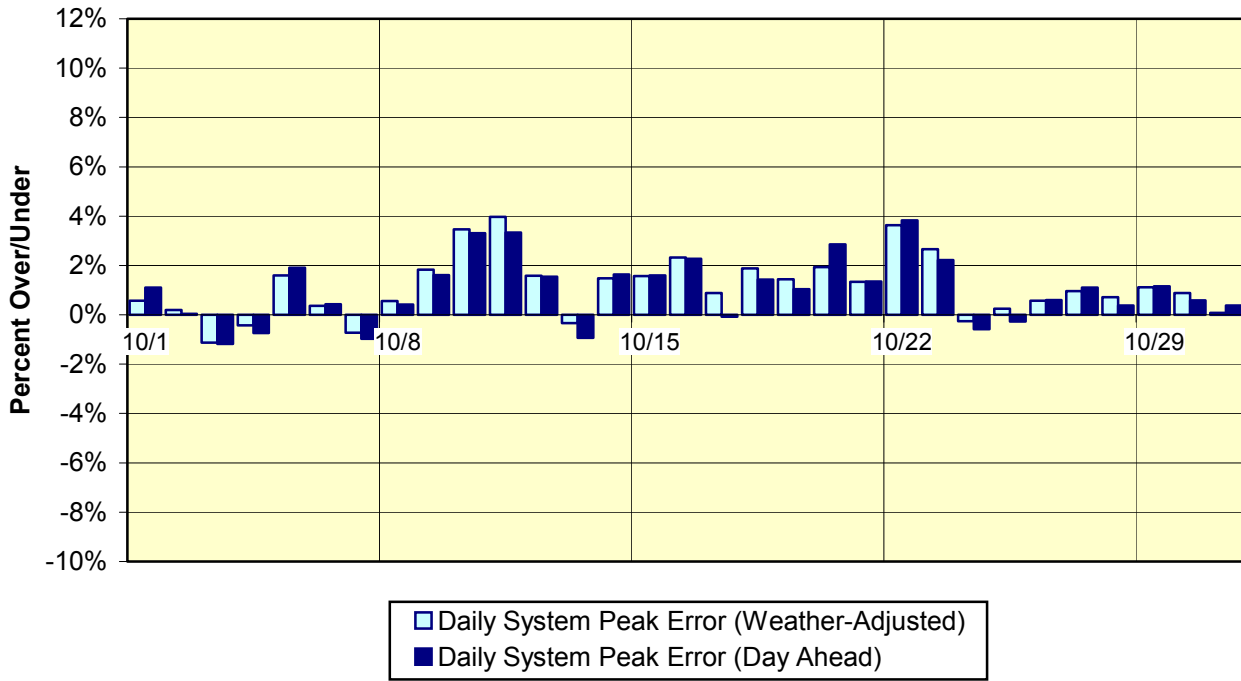
**NYISO Daily Peak Load
Actual vs. Weather-Adjusted Forecast**



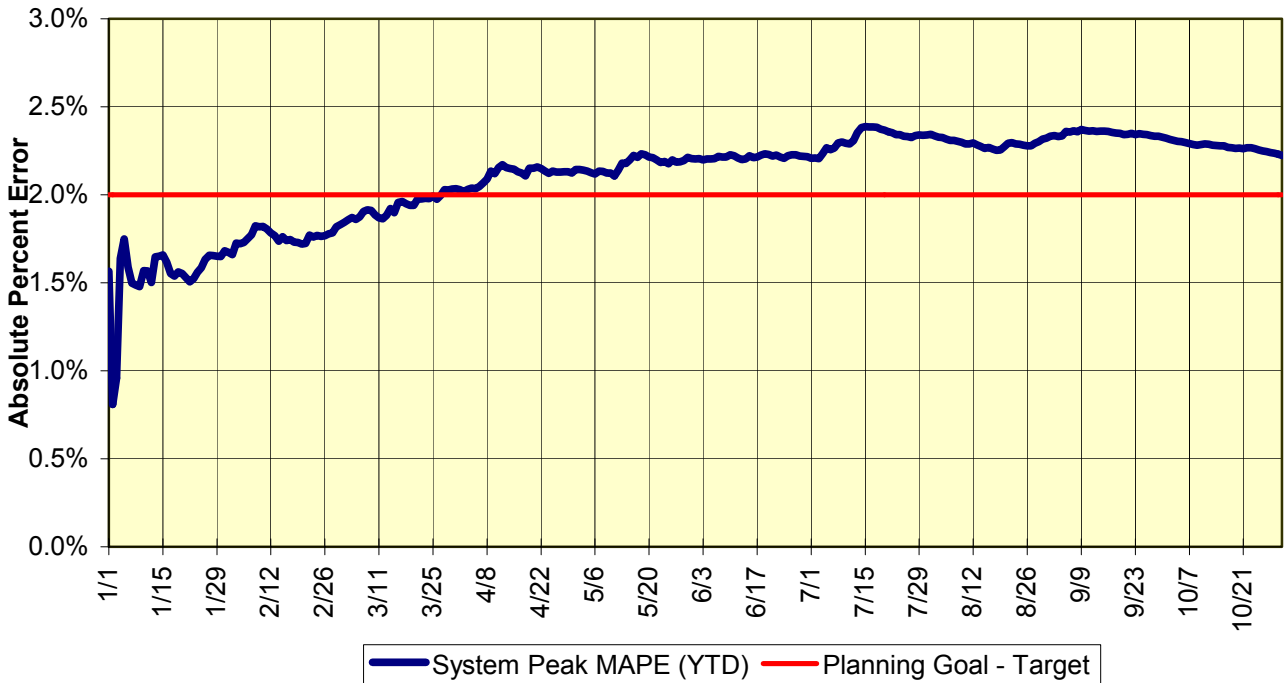
**NYISO Daily Peak Load
Actual vs. Forecast**



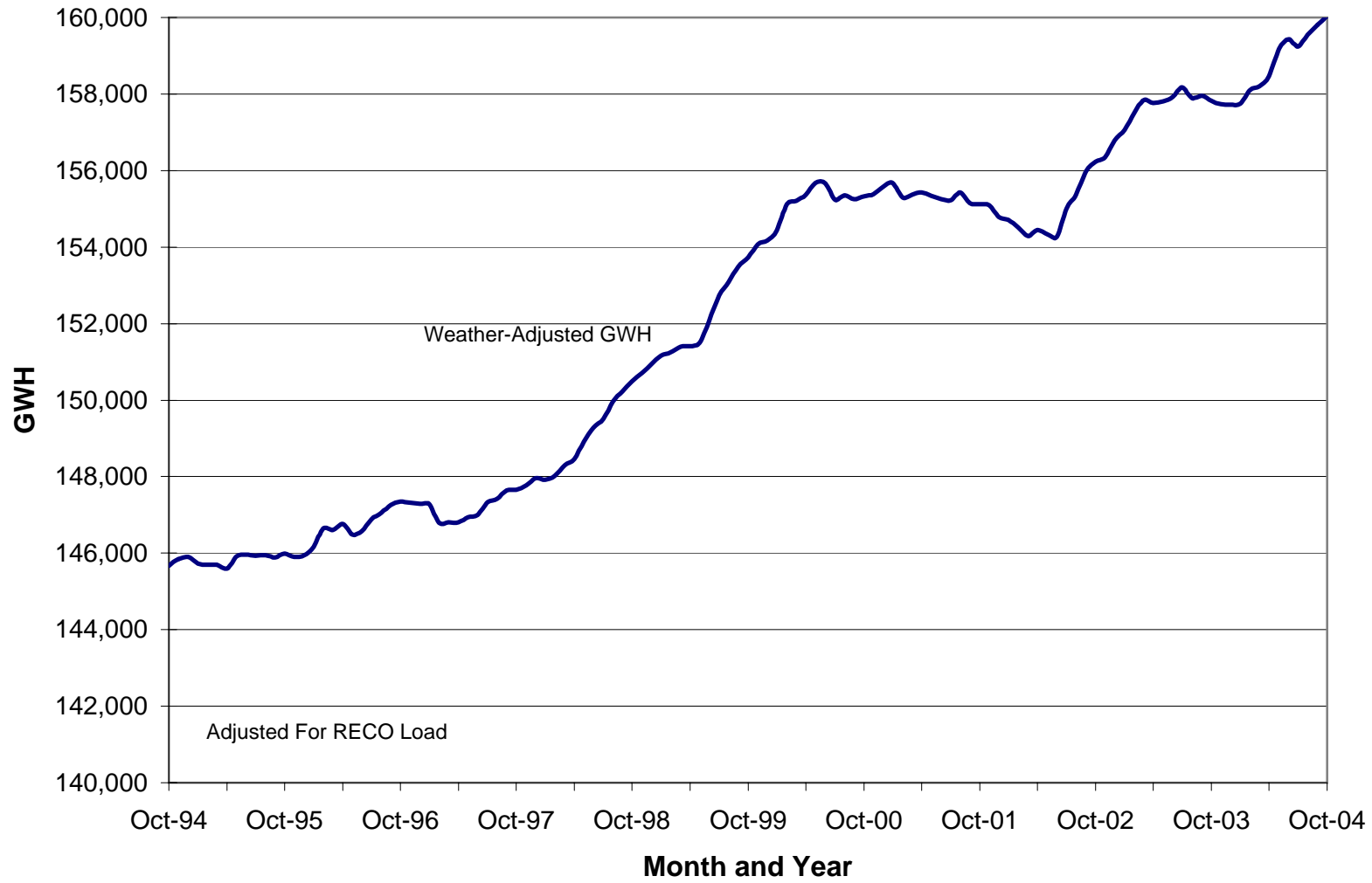
Day-Ahead Forecast Daily Forecast Errors of System Peak October, 2004



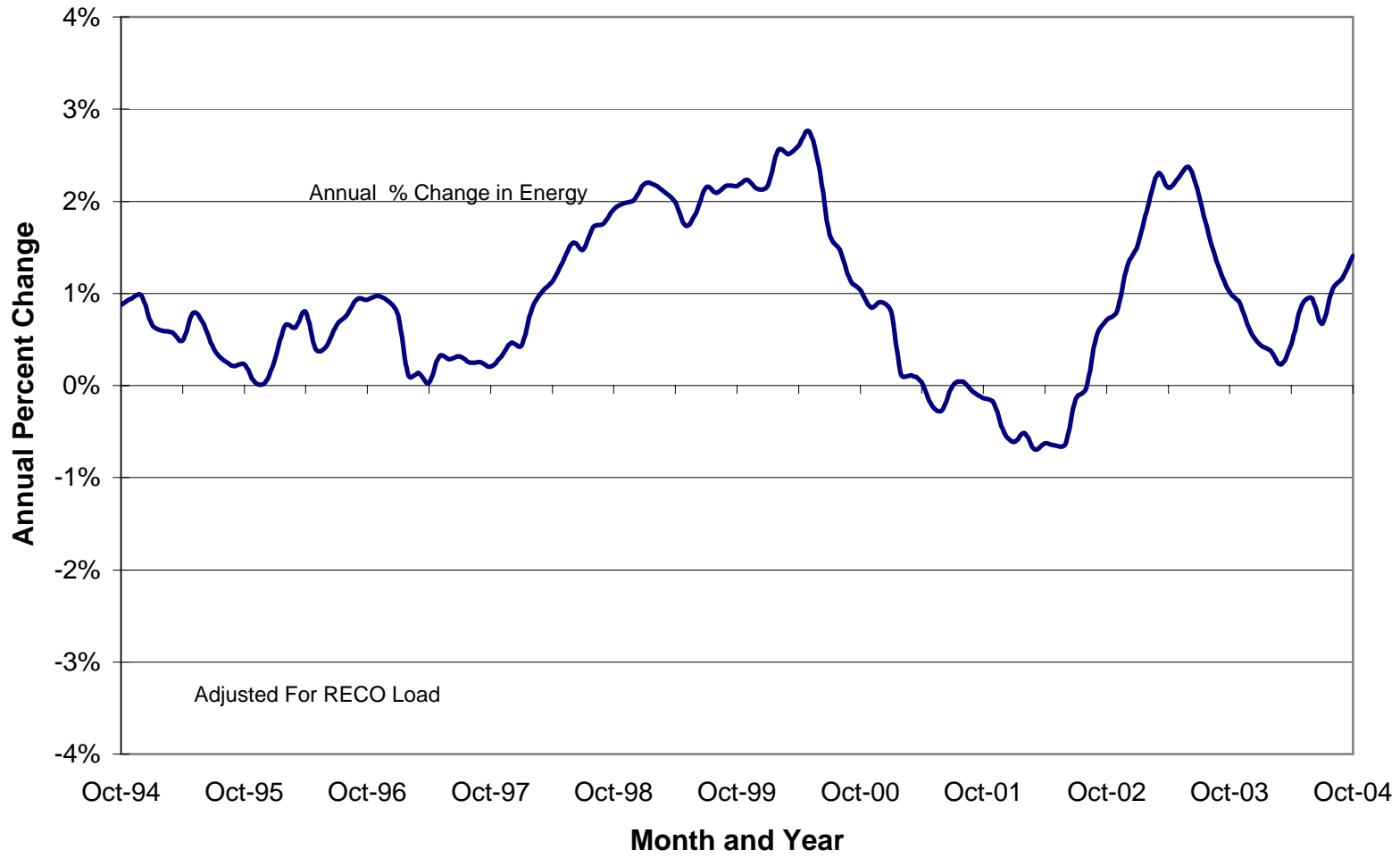
Day-Ahead Forecast Cumulative Performance - Daily System Peak 2004 Year-to-Date



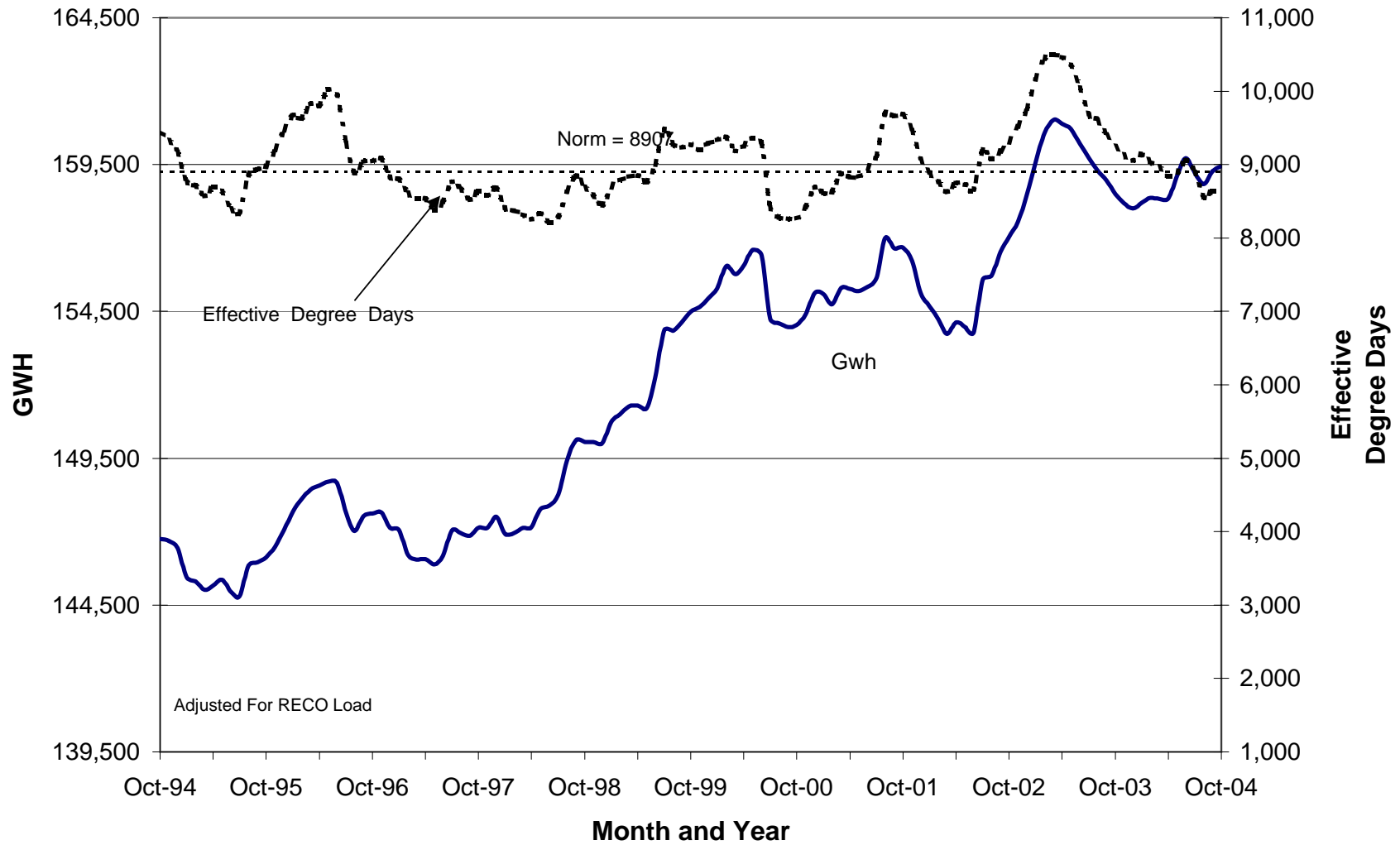
Plot Of 12 Month Moving Total Of NYCA Weather Adjusted Energy Sendout



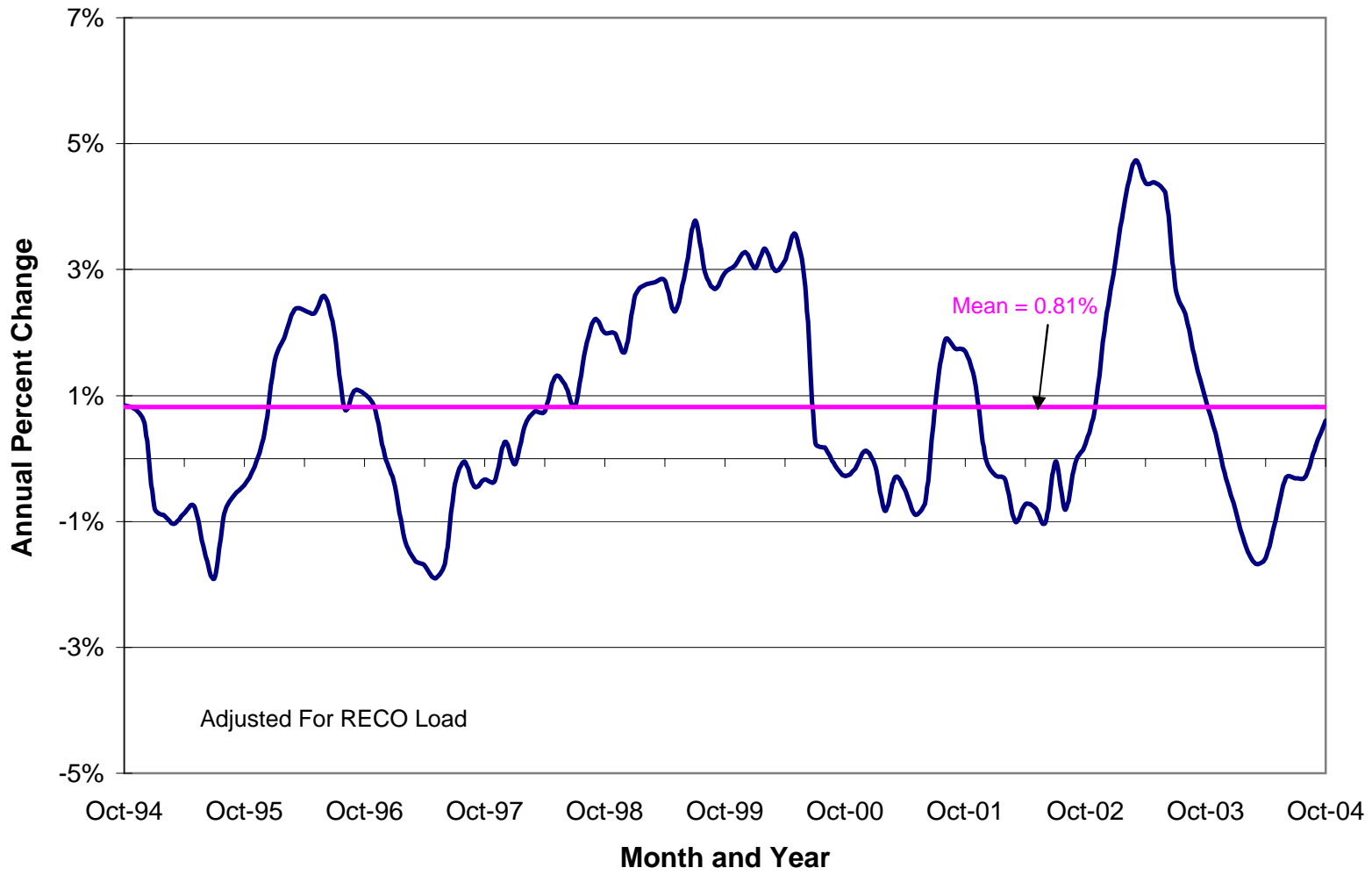
Plot Of Weather Adjusted 12 Month Moving Total Energy Sendout Annual Percent Change



**Plot Of 12 Month Moving Total Of NYCA Energy Sendout
And Effective Degree Days For 10 Years**



**Plot Of 12 Month Moving Total Energy Sendout
Annual Percent Change For 10 Years**



NYISO Regulatory Filings

October 2004

- Oct. 1, 2004 NYISO filing notifying FERC of regularly scheduled meetings to develop operating protocols for power transfers under certain contested transmission service contracts between Con Ed and PSE&G (EL02-23-000)
- Oct. 5, 2004 NYISO/NYTOs joint compliance filing regarding large facility interconnection procedures and a large facility interconnection agreement (ER04-449-004)
- Oct. 6, 2004 Joint third party filing of a motion to intervene, protest, and request for clarification regarding NYISO's 9/5/04 proposed tariff revisions involving the 80% - 20% allocation for Rate Schedule 1 costs (ER04-1229-000, ER97-1523-028)
- Oct. 7, 2004 Third party filing of an answer opposing NYISO's 9/22/04 response to answers regarding its request to reopen the record and for disposition on remand motion (EL01-19-000/001, EL02-16-000/001)
- Oct. 7, 2004 NYISO filing of an answer to PSE&G's protest of NYISO's 9/1/04 compliance filing involving the Con Ed v PSE&G proceeding regarding power transfers under certain contested transmission service contracts (EL02-23-005)
- Oct. 15, 2004 NYISO compliance filing regarding procedures for annual transmission baseline and reliability assessments arising out of the approved Keyspan settlement regarding cost allocation for new interconnection facilities (EL02-125-002)
- Oct. 15-20, 04 Multiple third party filings of motions to intervene regarding NYISO's virtual regional dispatch testing project tariff filing (ER04-1263-000)
- Oct. 21, 2004 NYISO filing of an answer to comments and protests regarding its 9/15/04 tariff filing to modify recovery of certain charges assessed under Rate Schedule 1 (ER04-1229-000)
- Oct. 22, 2004 NYISO/NYTO joint filing of motion to intervene in support of the NEPOOL filing to eliminate Through and Out charges for transactions to New York (ER05-3-000)
- Oct. 26, 2004 NYISO/NYTO joint filing of a motion for extension of time to file operating protocols for power transfers under certain contested transmission service contracts between Con Ed and PSE&G (EL02-23-003)
- Oct. 27, 2004 Keyspan filing of a complaint against the NYISO regarding 2002 ICAP/UCAP translation (EL05-17-000)
- Oct. 29, 2004 NYISO tariff filing to extend the Voltage Support Service through 2005 (ER05- -000)
- Oct. 29, 2004 NYISO response to FERC letter requesting information regarding its proposed amendments to the OATT involving a comprehensive planning process for New York reliability needs (ER04-1144-001)

NYISO Related FERC Orders October 2004

- Oct. 1, 2004 FERC letter order accepting NYISO tariff filing to clarify exemptions from balancing rules and under generation penalties and to enhance bid-cost protections under the real time scheduling rules
(ER04-1138-000)
- Oct. 1, 2004 FERC letter order accepting NYISO filing of a withdrawal notice regarding its tariff filing to implement interim scheduling procedures for external transactions at the Shoreham Proxy Generator Bus
(ER04-791-000)
- Oct. 1, 2004 FERC tolling order granting rehearing for further consideration regarding revisions to NYISO's OATT to revise LIPA's wholesale Transmission Service Charge
(ER04-958-001)
- Oct. 1, 2004 FERC tolling order granting rehearing for further consideration of Phase II issues in a order concerning a transmission service contract complaint v. NYISO, et. al.
(EL02-23-003)
- Oct. 7, 2004 FERC order accepting a compliance report entitled "Report on Status of Regional Adequacy Markets Working Group" regarding progress towards the development of a central market framework with a forward auction for price determination across the NYISO, PJM and ISO-NE control areas
(ER03-647-005)
- Oct. 7, 2004 FERC tolling order granting rehearing for further consideration requested by NYISO/NYTOs regarding the large generator interconnection facilities
(ER04-449-003)
- Oct. 12, 2004 FERC tolling order granting rehearing for further consideration regarding the implementation of the real time scheduling system
(ER04-230-006, ER01-3155-006, ER01-1385-015, EL01-45-014)
- Oct. 13, 2004 FERC Chief ALJ letter order designating Settlement Judge Cintron and scheduling a settlement conference for October 20, 2004 regarding Central Hudson & Gas v NMPC proceeding
(ER97-1523-065)
- Oct. 19, 2004 FERC letter requesting information from NYISO regarding its proposed amendments to the OATT involving a comprehensive planning process for New York reliability needs
(ER04-1144-000)
- Oct. 29, 2004 FERC letter order conditionally accepting NYISO's proposed tariff revisions regarding the day ahead demand reduction program
(ER04-1188-000)

NYISO Management Committee Meeting

October 1, 2004

Albany, NY

MOTION FROM THE MEETING

Motion #1:

The Management Committee (MC) approves the proposed tariff amendments to extend the provisions of Rate Schedule 2 of the Services Tariff for calendar year 2005 as presented to the Special Business Issues Committee meeting on September 16, 2004 and the Special MC meeting on October 1, 2004 and recommends to the Board of Directors that the NYISO should be authorized to submit the applicable tariff modifications to the FERC, pursuant to Section 205 of the Federal Power Act.

The MC also directs the appropriate working group to report back to the MC by the end of the first quarter of 2005 on the cost impacts, scope, and testing issues related to the near-term proposals described in the NYISO staff presentation presented at the special meeting of the MC on 10/1/2004.

(Motion passed unanimously with abstentions.)

NYISO Management Committee Meeting

October 14, 2004

Albany, NY

MOTION FROM THE MEETING

Motion #1:

Motion to approve the Minutes from the September 1, 2004 MC meeting.

(Motion passed unanimously by show of hands)

Motion #2:

The Management Committee approves the final draft dated September 16, 2004 of the "NYISO Initial Planning Report" as modified at the September 23, 2004 Operating Committee meeting.

(Motion passed unanimously by show of hands with abstentions)

****Vice Chair Election: A majority vote of 58% was not achieved for either candidate. The election of Management Committee Vice Chair is deferred to the next Management Committee meeting with the same slate of candidates.**

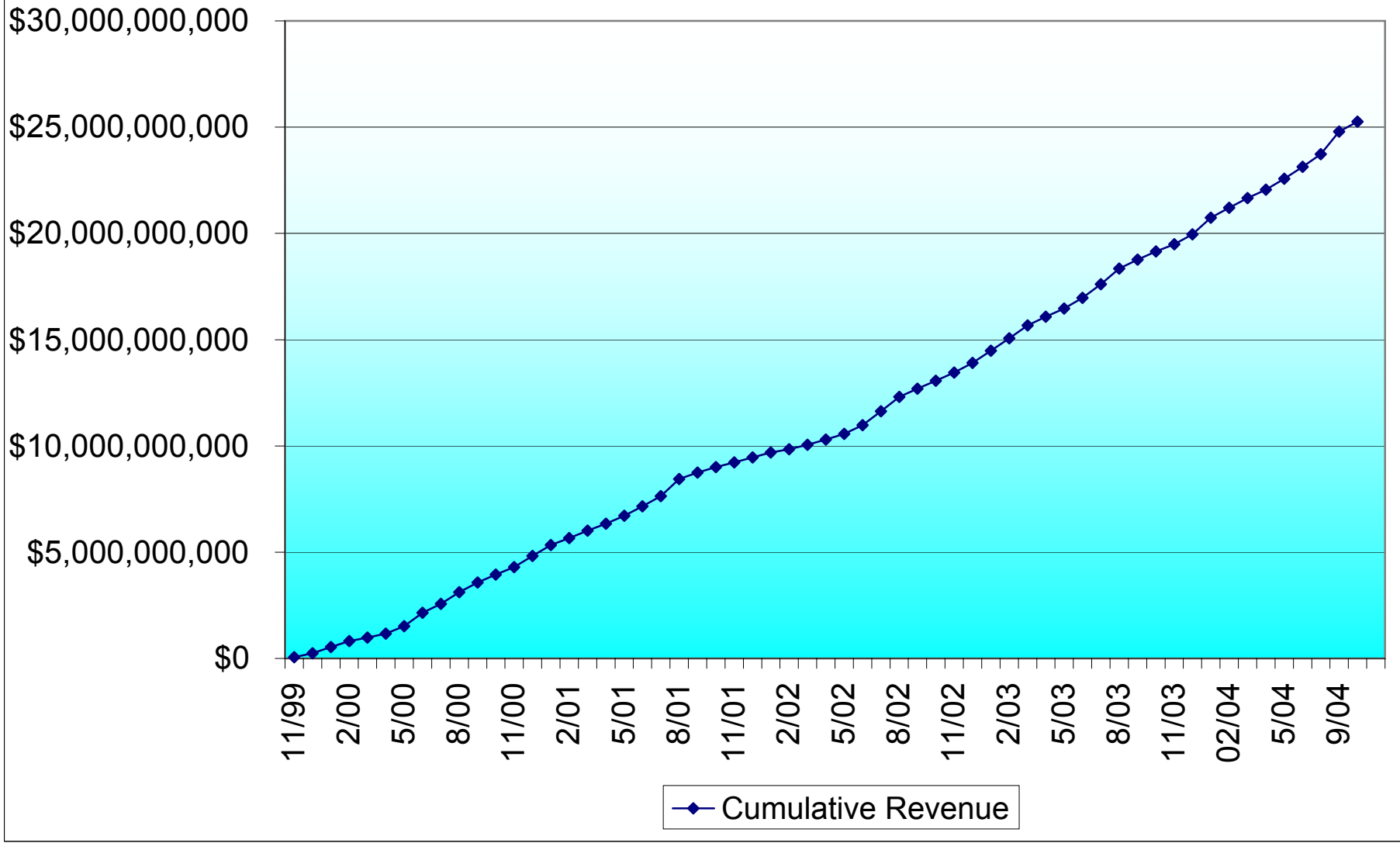


2004 BUDGET VS. ACTUAL VARIANCES

(dollar amounts in thousands)

	<u>YTD through October 2004</u>			
	Budget	Actuals	\$ Var.	% Var.
Capital Assets	\$ 15,129	\$ 8,053	\$ (7,076)	-47%
Salaries & Benefits	36,530	34,470	(2,060)	-6%
Consultants	20,972	19,527	(1,445)	-7%
Legal	5,000	4,868	(132)	-3%
Building Services	2,928	3,344	417	14%
Computer Services	17,605	25,430	7,825	44%
Insurance	6,428	5,449	(979)	-15%
Telecommunications	2,396	3,625	1,229	51%
Board of Directors	771	652	(119)	-15%
Meetings, Travel, Training	2,418	2,120	(298)	-12%
NPCC Fees	1,271	1,256	(15)	-1%
FERC Fees	6,667	4,426	(2,241)	-34%
Debt Service & Bank Fees	22,805	21,949	(856)	-4%
TOTAL BUDGET SPENDING	\$ 140,918	\$ 135,169	\$ (5,749)	-4%
Less: Miscellaneous Revenues	(888)	(874)	13	-1%
Less: Net Proceeds from Bank Financing	(37,000)	(37,000)	0	0%
Plus: Interest on 2004 Bank Financing	813	280	(532)	66%
EQUALS: Funds Needed via RS#1	\$ 103,843	\$ 97,575	\$ (6,269)	-6%
COMPARED TO: Funds Received via RS#1			(1,507)	
EQUALS: Total Due (to)/from Market Participants			\$ (7,775)	

Cumulative Gross Revenue of all Monthly Components



**NYISO
MARKET PARTICIPANT ENERGY BILLINGS
SUMMARY OF NET RECEIVABLES**

****RECEIVABLES****

	ORIGINAL INVOICE	4 MO TU	12 MO TU	24 MO TU	REBILL	Final Bill Challenge	TU TOTAL	% OF TU
Nov-99	\$ 41,914,277	\$ -	\$ 4,601,583	11%	\$ 1,653,001	4%	\$ -	
Dec-99	\$ 133,158,638	\$ -	\$ 9,535,988	7%	\$ 1,707,927	1%	\$ 435,491	1%
Jan-00	\$ 217,994,281	\$ -	\$ 13,514,891	6%	\$ 6,139,030	3%	\$ 3,510,999	3%
Feb-00	\$ 186,799,918	\$ -	\$ 13,029,978	7%	\$ 1,518,328	1%	\$ 3,934,882	2%
Mar-00	\$ 124,028,665	\$ -	\$ -	0%	\$ 889,309	1%	\$ 3,133,700	2%
Apr-00	\$ 135,512,224	\$ -	\$ -	0%	\$ 1,287,032	1%	\$ -	
May-00	\$ 222,997,916	\$ -	\$ 19,374,704	9%	\$ 7,788,534	3%	\$ -	
Jun-00	\$ 415,492,540	\$ -	\$ 27,121,792	7%	\$ 12,457,711	3%	\$ 25,877,084	21%
Jul-00	\$ 252,252,351	\$ -	\$ 19,489,697	8%	\$ 2,724,735	1%	\$ 1,287,032	1%
Aug-00	\$ 361,947,692	\$ -	\$ 35,775,647	10%	\$ 5,508,600	2%	\$ 27,163,238	12%
Sep-00	\$ 319,094,875	\$ -	\$ 31,071,138	10%	\$ 6,605,678	2%	\$ 39,579,503	10%
Oct-00	\$ 274,787,453	\$ 15,496,075	\$ 3,205,891	1%	\$ 3,745,905	1%	\$ 22,214,432	9%
Nov-00	\$ 256,009,720	\$ 16,262,668	\$ 2,052,169	1%	\$ 1,784,229	1%	\$ 41,284,247	11%
Dec-00	\$ 396,610,564	\$ 19,537,029	\$ 4,026,996	1%	\$ 4,066,092	1%	\$ 37,676,816	12%
Jan-01	\$ 344,295,355	\$ 12,571,017	\$ 2,521,671	1%	\$ 1,474,285	0%	\$ 22,447,871	8%
Feb-01	\$ 234,382,099	\$ 9,148,844	\$ 1,699,302	1%	\$ 1,263,189	1%	\$ 20,099,066	8%
Mar-01	\$ 245,443,896	\$ 9,390,961	\$ 1,698,249	1%	\$ 743,656	0%	\$ 27,630,117	7%
Apr-01	\$ 231,563,601	\$ 11,382,682	\$ 2,133,766	1%	\$ 890,456	0%	\$ 16,566,973	5%
May-01	\$ 258,524,171	\$ 16,241,860	\$ 9,994,318	4%	\$ 1,825,702	1%	\$ 12,111,335	5%
Jun-01	\$ 295,777,209	\$ 15,607,316	\$ 4,491,251	2%	\$ 1,542,666	1%	\$ 12,629,292	5%
Jul-01	\$ 331,328,591	\$ 12,637,804	\$ 1,772,024	1%	\$ 1,625,857	0%	\$ 15,065,671	7%
Aug-01	\$ 569,513,449	\$ 15,344,918	\$ 3,305,630	1%	\$ 4,545,234	1%	\$ 29,430,577	11%
Sep-01	\$ 193,119,838	\$ 6,492,345	\$ 1,089,635	1%	\$ 2,225,022	1%	\$ 22,829,115	8%
Oct-01	\$ 167,598,022	\$ 7,307,617	\$ 1,514,234	1%	\$ 5,582,048	3%	\$ 17,638,727	5%
Nov-01	\$ 152,726,458	\$ 5,896,866	\$ 1,932,100	1%	\$ 891,443	1%	\$ 27,997,775	5%
Dec-01	\$ 162,617,275	\$ 4,249,430	\$ 995,912	1%	\$ 1,795,660	1%	\$ 10,496,005	5%
Jan-02	\$ 169,114,538	\$ 4,603,989	\$ 1,328,924	1%	\$ 999,869	1%	\$ 14,403,899	9%
Feb-02	\$ 128,174,423	\$ 4,949,637	\$ 988,313	1%	\$ 760,711	1%	\$ 8,720,410	6%
Mar-02	\$ 173,757,055	\$ 7,871,772	\$ 1,361,075	1%	\$ 1,070,136	1%	\$ 7,041,002	4%
Apr-02	\$ 227,372,883	\$ 8,763,681	\$ 799,348	0%	\$ 1,412,591	1%	\$ 6,932,782	4%
May-02	\$ 193,153,839	\$ 4,859,821	\$ 1,976,821	1%	\$ 1,470,091	1%	\$ 6,698,661	5%
Jun-02	\$ 243,510,171	\$ 10,447,096	\$ 2,158,556	1%	\$ 1,668,758	1%	\$ 10,894,880	6%
Jul-02	\$ 423,363,985	\$ 14,296,715	\$ 3,381,899	1%	\$ 2,954,088	1%	\$ 13,987,653	6%
Aug-02	\$ 417,275,164	\$ 10,037,896	\$ 2,592,885	1%	\$ 2,379,757	1%	\$ 8,306,733	4%
Sep-02	\$ 254,643,037	\$ 8,336,608	\$ 3,209,330	1%	\$ 634,667	0%	\$ 14,274,410	6%
Oct-02	\$ 259,006,539	\$ 5,948,283	\$ 2,087,459	1%	\$ -		\$ 20,632,701	5%
Nov-02	\$ 253,526,260	\$ 5,452,407	\$ 1,839,940	1%	\$ 2,139,799	1%	\$ 15,010,539	4%
Dec-02	\$ 299,517,867	\$ 8,205,366	\$ 1,386,782	0%	\$ 2,351,205	1%	\$ 12,180,605	5%
Jan-03	\$ 399,263,104	\$ 9,844,614	\$ 2,098,338	1%	\$ 2,029,395	1%	\$ 10,175,540	4%
Feb-03	\$ 418,175,564	\$ 11,981,141	\$ 2,458,047	1%	\$ 1,191,493	0%	\$ 9,643,551	4%
Mar-03	\$ 426,467,140	\$ 9,873,309	\$ 1,267,254	0%	\$ 1,187,456	0%	\$ 11,621,543	4%
Apr-03	\$ 288,946,161	\$ 7,395,252	\$ 1,494,349	1%	\$ 1,773,369	0%	\$ 13,134,445	3%
May-03	\$ 248,638,313	\$ 5,874,403	\$ 1,274,495	1%	\$ -		\$ 15,626,644	3%
Jun-03	\$ 300,747,684	\$ 7,396,478	\$ 1,361,206	0%	\$ -		\$ 12,913,933	3%
Jul-03	\$ 418,581,237	\$ 13,132,010	\$ 2,180,703	1%	\$ -		\$ 8,889,601	3%
Aug-03	\$ 514,126,607	\$ 13,977,562	\$ 5,647,468	1%	\$ -		\$ 7,148,897	3%
Sep-03	\$ 283,123,546	\$ 6,445,812	\$ 2,557,996	1%	\$ -		\$ 8,757,684	3%
Oct-03	\$ 245,463,938	\$ 5,837,631	\$ 3,752,128	2%	\$ -		\$ 15,312,713	4%
Nov-03	\$ 216,846,601	\$ 9,096,310	\$ -		\$ -		\$ 19,625,030	4%
Dec-03	\$ 287,418,382	\$ 11,239,879	\$ -		\$ -		\$ 9,003,809	3%
Jan-04	\$ 505,153,722	\$ 27,322,738	\$ -		\$ -		\$ 9,589,759	4%
Feb-04	\$ 312,550,760	\$ 13,321,219	\$ -		\$ -		\$ 9,096,310	4%
Mar-04	\$ 300,111,357	\$ 8,890,522	\$ -		\$ -		\$ 11,239,879	4%
Apr-04	\$ 275,622,576	\$ 8,934,404	\$ -		\$ -		\$ 27,322,738	5%
May-04	\$ 325,883,910	\$ 16,064,781	\$ -		\$ -		\$ 13,321,219	4%
Jun-04	\$ 352,125,882	\$ 12,814,776	\$ -		\$ -		\$ 8,890,522	3%
							\$ 8,934,404	3%
							\$ 16,064,781	5%
							\$ 12,814,776	4%
SUBTOTAL	\$ 15,687,153,323	\$ 470,783,543	\$ 263,151,882	\$ 95,631,994	\$ 50,370,235		\$ 890,952,731	6%
Jul-04	\$ 381,996,419							
Aug-04	\$ 376,111,219							
Sep-04	\$ 308,607,881							
Oct-04	\$ 339,657,358							
GRAND TOTAL	\$ 17,093,526,200	\$ 470,783,543	\$ 263,151,882	\$ 95,631,994	\$ 50,370,235		\$ 890,952,731	5%

**24 month True ups for May 2000 & June 2000 were fairly high due to significant adjustments to two customers' congestion rent. (\$5M in May 2000 & \$11M in June 2000)

**NYISO
MARKET PARTICIPANT ENERGY BILLINGS
SUMMARY OF NET PAYABLES**

****PAYABLES****

	ORIGINAL INVOICE	4 MO TU	12 MO TU	24 MO TU	REBILL	Final Bill Challenge	TU TOTAL	% OF TU			
Nov-99	\$ 35,518,827	\$ -	\$ 4,367,509	12%	\$ 1,679,571	5%	\$ 490,908.55	1%	\$ 7,385,458	21%	
Dec-99	\$ 102,079,272	\$ -	\$ 8,340,216	8%	\$ 1,696,026	2%	\$ 3,616,444.38	4%	\$ 22,876,134	22%	
Jan-00	\$ 183,037,026	\$ -	\$ 12,925,858	7%	\$ 6,158,187	3%	\$ 3,940,531.33	2%	\$ 32,697,224	18%	
Feb-00	\$ 185,282,663	\$ -	\$ 12,448,203	7%	\$ 1,547,338	1%	\$ 3,133,334.38	2%	\$ 25,036,185	14%	
Mar-00	\$ 122,503,213	\$ -	\$ -	0%	\$ 1,160,468	1%	\$ 25,013,672		\$ 31,123,571	25%	
Apr-00	\$ 124,848,119	\$ -	\$ 9,564,586	8%	\$ 1,593,548	1%			\$ 11,158,134	9%	
May-00	\$ 232,582,089	\$ -	\$ 18,902,475	8%	\$ 7,780,529	3%			\$ 26,683,004	11%	
Jun-00	\$ 406,914,315	\$ -	\$ 26,020,673	6%	\$ 12,146,262	3%			\$ 38,166,935	9%	
Jul-00	\$ 243,016,054	\$ -	\$ 18,485,919	8%	\$ 2,720,323	1%			\$ 21,206,242	9%	
Aug-00	\$ 361,347,651	\$ -	\$ 35,133,640	10%	\$ 5,522,743	2%			\$ 40,656,383	11%	
Sep-00	\$ 294,082,367	\$ -	\$ 30,486,502	10%	\$ 6,594,252	2%			\$ 37,080,754	13%	
Oct-00	\$ 266,390,264	\$ -	\$ 2,714,042	1%	\$ 3,747,010	1%			\$ 21,819,570	8%	
Nov-00	\$ 246,642,946	\$ -	\$ 1,641,605	1%	\$ 1,788,082	1%			\$ 15,630,189	6%	
Dec-00	\$ 385,457,152	\$ -	\$ 3,608,151	1%	\$ 4,070,768	1%			\$ 27,238,727	7%	
Jan-01	\$ 334,775,998	\$ 12,164,291	4%	\$ 2,555,817	1%	\$ 1,505,088	0%		\$ 20,149,851	6%	
Feb-01	\$ 227,544,273	\$ 8,654,168	4%	\$ 1,776,808	1%	\$ 1,256,091	1%		\$ 14,800,320	7%	
Mar-01	\$ 234,105,528	\$ 7,955,548	3%	\$ 1,720,487	1%	\$ 748,584	0%	\$ 796,715	0%	\$ 14,489,543	6%
Apr-01	\$ 223,148,288	\$ 11,261,833	5%	\$ 2,545,748	1%	\$ 891,614	0%	\$ 658,557	0%	\$ 15,357,752	7%
May-01	\$ 250,351,122	\$ 16,266,662	6%	\$ 10,011,715	4%	\$ 1,839,840	1%	\$ 1,380,341	1%	\$ 29,498,559	12%
Jun-01	\$ 283,165,040	\$ 15,595,541	6%	\$ 4,128,716	1%	\$ 1,542,154	1%	\$ 1,311,283	0%	\$ 22,577,694	8%
Jul-01	\$ 319,423,484	\$ 13,300,599	4%	\$ 2,091,582	1%	\$ 1,642,515	1%	\$ 1,592,304	0%	\$ 18,627,000	6%
Aug-01	\$ 554,917,297	\$ 15,292,776	3%	\$ 3,690,366	1%	\$ 4,308,889	1%	\$ 4,797,469	1%	\$ 28,089,500	5%
Sep-01	\$ 182,063,076	\$ 6,493,353	4%	\$ 1,429,526	1%	\$ 2,218,595	1%	\$ 688,997	0%	\$ 10,830,471	6%
Oct-01	\$ 157,220,616	\$ 7,283,603	5%	\$ 1,830,221	1%	\$ 2,087,459	1%			\$ 11,201,283	7%
Nov-01	\$ 143,420,554	\$ 5,970,571	4%	\$ 1,932,886	1%	\$ 870,293	1%			\$ 8,773,751	6%
Dec-01	\$ 154,098,810	\$ 4,286,144	3%	\$ 999,872	1%	\$ 1,765,734	1%			\$ 7,051,750	5%
Jan-02	\$ 160,819,725	\$ 4,626,721	3%	\$ 1,299,584	1%	\$ 1,005,172	1%			\$ 6,931,478	4%
Feb-02	\$ 120,848,588	\$ 4,931,677	4%	\$ 989,372	1%	\$ 743,028	1%			\$ 6,664,077	6%
Mar-02	\$ 165,725,539	\$ 7,827,174	5%	\$ 1,411,595	1%	\$ 1,045,083	1%	\$ 592,554	0%	\$ 10,876,406	7%
Apr-02	\$ 222,151,382	\$ 8,779,909	4%	\$ 832,067	0%	\$ 1,398,781	1%	\$ 2,982,051	1%	\$ 13,992,808	6%
May-02	\$ 183,815,292	\$ 4,546,883	2%	\$ 1,976,201	1%	\$ 1,460,993	1%			\$ 7,984,076	4%
Jun-02	\$ 246,221,592	\$ 10,434,484	4%	\$ 2,155,248	1%	\$ 1,657,710	1%			\$ 14,247,443	6%
Jul-02	\$ 409,240,558	\$ 14,528,756	4%	\$ 3,375,870	1%	\$ 2,925,935	1%			\$ 20,830,561	5%
Aug-02	\$ 404,158,825	\$ 10,211,707	3%	\$ 2,426,894	1%	\$ 2,366,605	1%			\$ 15,005,205	4%
Sep-02	\$ 243,973,745	\$ 8,363,796	3%	\$ 3,174,497	1%	\$ 639,930	0%			\$ 12,178,222	5%
Oct-02	\$ 248,659,897	\$ 5,971,255	2%	\$ 1,740,455	1%			\$ 2,130,811	1%	\$ 9,842,521	4%
Nov-02	\$ 243,580,981	\$ 5,477,164	2%	\$ 1,818,673	1%			\$ 2,336,086	1%	\$ 9,631,923	4%
Dec-02	\$ 288,570,651	\$ 8,221,256	3%	\$ 1,368,392	0%			\$ 2,029,091	1%	\$ 11,618,739	4%
Jan-03	\$ 386,692,211	\$ 9,867,267	3%	\$ 2,071,685	1%			\$ 1,195,113	0%	\$ 13,134,066	3%
Feb-03	\$ 407,240,054	\$ 12,015,097	3%	\$ 2,443,568	1%			\$ 1,185,813	0%	\$ 15,644,478	4%
Mar-03	\$ 415,026,752	\$ 9,888,707	2%	\$ 1,259,304	0%			\$ 1,773,369	0%	\$ 12,921,381	3%
Apr-03	\$ 278,826,241	\$ 7,393,788	3%	\$ 1,500,815	1%					\$ 8,894,603	3%
May-03	\$ 238,359,528	\$ 5,856,019	2%	\$ 1,306,262	1%					\$ 7,162,280	3%
Jun-03	\$ 289,166,413	\$ 7,355,535	3%	\$ 1,414,076	0%					\$ 8,769,611	3%
Jul-03	\$ 404,807,368	\$ 13,029,763	3%	\$ 2,317,535	1%					\$ 15,347,298	4%
Aug-03	\$ 494,075,742	\$ 14,065,141	3%	\$ 5,660,852	1%					\$ 19,725,993	4%
Sep-03	\$ 271,779,605	\$ 6,246,294	2%	\$ 2,794,469	1%					\$ 9,040,763	3%
Oct-03	\$ 234,334,309	\$ 5,816,672	2%	\$ 4,098,476	2%					\$ 9,915,148	4%
Nov-03	\$ 206,281,555	\$ 9,061,998	4%							\$ 9,061,998	4%
Dec-03	\$ 275,110,914	\$ 11,168,245	4%							\$ 11,168,245	4%
Jan-04	\$ 491,534,651	\$ 27,111,865	6%							\$ 27,111,865	6%
Feb-04	\$ 300,622,192	\$ 13,327,763	4%							\$ 13,327,763	4%
Mar-04	\$ 287,880,497	\$ 8,899,159	3%							\$ 8,899,159	3%
Apr-04	\$ 264,840,195	\$ 8,937,893	3%							\$ 8,937,893	3%
May-04	\$ 313,585,273	\$ 16,100,585	5%							\$ 16,100,585	5%
Jun-04	\$ 338,972,977	\$ 12,836,727	4%							\$ 12,836,727	4%
SUBTOTAL	\$ 15,090,839,295	\$ 417,424,390	3%	\$ 266,789,011	2%	\$ 92,125,202	1%	\$ 50,464,227	0%	\$ 928,009,301	6%
Jul-04	\$ 367,658,032										
Aug-04	\$ 362,031,970										
Sep-04	\$ 296,158,297										
Oct-04	\$ 328,459,749										
GRAND TOTAL	\$ 16,445,147,344	\$ 417,424,390		\$ 266,789,011		\$ 92,125,202		\$ 50,464,227		\$ 928,009,301	

NYISO Projects Portfolio Status Report October 2004

This report provides the current status of projects prioritized by the Project Prioritization Team (PPT). Please refer to the accompanying Projects Portfolio (Gantt chart) for the latest scheduling and deployment information. This information is updated monthly in preparation for the scheduled PPT meetings.

Priority Projects

A725 2004 SAS 70 Type 2 Audit

- KPMG auditing NYISO Bid-to-Bill process – progress continues.
- Audit scope period ends Dec. 31.
- Designated as “exempt” priority meaning that resources are made available when and as needed to support the audit.

A573 SMD 2.0 Internal NYISO System Implementation

- Market Information System (MIS) is in Phase E - Project System Operation/Functional Test Phase.
- Billing and Accounting System (BAS) is in Phase E - Project System Operation/Functional Test Phase.
- Performance Tracking System (PTS) is in Phase E - Project System Operation/Functional Test Phase.
- Price Verification is in Phase E - Project System Operation/Functional Test Phase.
- Market Monitoring and Reporting Database (MMRD) Replacement is in Phase E - Project System Operation/Functional Test Phase.
- Probe support is in Phase E - Project System Operation/Functional Test Phase.
- The Load Forecaster is in Phase E - Project System Operation/Functional Test Phase.

A574 SMD 2.0 ABB System Implementation Support

- The seventh Market Trial, Day-Ahead and Real-Time markets with Market Participant interaction was started on Oct. 13. The exercise is similar in design to the three (3) previous
- Market Trials where MPs provide all the bids and can update them in day. The Day-Ahead results of Market Trial 6 have been reviewed by LECG and the results posted to Market Participants.
- A new ABB software build was deployed into production during the week of October 4th that contains a set of fixes to the Phase 2 deliverables as well as a number of minor enhancements.
- Plans are continuing for the details around the final cutover activities. Departments are fine-tuning the detailed SMD2 readiness checklists.

A697 Auto Sys Replacement

- Customer Settlements has completed most of their UAT testing, final approval from the Manager is pending.
- Control M is functioning in a live production environment. Remaining failover testing is being coordinated with the rest of the SMD2 failover testing. The final deployment plan has been provided to the SMD2 team for integration into the overall deployment plan for SMD2.

NYISO Projects Portfolio

Status Report

October 2004

A696 SMD-DAC

- Final testing is being performed along with verification of the 115kv and 138kv systems.
- Documentation and knowledge transfers are being done.
- The deployment plan has been finalized and sent to the SMD2 team to integrate with their overall deployment plan.

A667 Scarcity Pricing in SMD

- Coding and unit test are complete.
- Code has been deployed to the SMD2 test environment, testing is in progress.

A710 SMD Web Environment

- SMD2's BidPost (marketplace.nyiso.com) and Upload/Download (bidpost.nyiso.com) applications have successfully completed Market Trials. All open issues have been corrected, and the applications have been deployed to the SMD2 production environment for use in parallel operations.
- All postings of OASIS data were successful for the SMD2 Market Trials, including the Hub LBMPs (i.e. generator-weighted LBMPs).
- New postings of TSC details, summary and NTAC rates have been completed and deployed to the production environment.
- SMD2's Control Room Logging application has been deployed to the SMD2 production environment, and will be available at the start of parallel operations.
- Automated failover capabilities for SMD2's BidPost and Upload/Download applications have been successfully implemented, tested and deployed to the SMD2 production environment.

A709 Reserve Pickup Reporting

- Project to be deployed internally with SMD2. QA testing and integration testing are complete.
- The application will be monitored internally for 30 days prior to external rollout.

A577 SMD2 Integration

- The EAI interfaces supporting the Price Verification, Load Forecast, preMGF and DA Operating Plan processes supported the Market Trials without issues and are available for the start of parallel operations.
- SMD2's new Network Attached Storage (NAS) facility has been successfully tested, proving that it can support the automated failover requirements. The NAS is in place and correctly configured for SMD2 production.
- The EAI monitoring solution has completed testing and is being deployed to the SMD2 production environments.

A729 MIS / BAS Cluster and Site Failover

- Failover includes hardware mirror for MIS/LF & BAS/HIST, DataGuard for MIS/LF & Oracle Forms failover.
- All Production and QA systems configured for dataguard.
- Failover / Switchover testing in progress.

NYISO Projects Portfolio Status Report October 2004

A690 Grouped Units

- QA Testing in Legacy Environment Complete.
- Legacy deployment cancelled.
- Legacy testing complete. Testing in progress in SMD environment.

A600 Open Billing Issues

- The Billing Issues Group (BIG), chaired by the CFO, is responsible for resolving all identified billing issues. The A600 project was established to ensure timely action on internal billing issues (not including external items such as bad or missing metering data). Incentive Goal 7 tracks performance on the timely correction of these internal billing issues. The table below shows the total number of open billing issues coincident with the last BIG meeting, the meeting a month prior and the meeting six-months prior. Note that four of the non-goal 7 issues currently open are non-IT issues. One is under guidance by special committee, two pertain to FERC regulatory actions, and one pertains to an ongoing dispute between two market participants.

**A600 – Open Billing Issues Status			
Number of Open Issues Needing Work	10/27/04	9/29/04	4/28/04
Total Goal 7 Issues	6	3	2
Total Non-Goal 7 Issues	3	3	5
Total Issues	9	6	7

* Note – the table structure and layout have changed to reflect the BIG committee review process.
(Source Billing Issues Group weekly report)

A630 Automate Voltage Support Billing Calculation

- Project is in Phase B – Requirements Development however, the ability to move forward with the project is dependent upon the availability of resources.
- For prioritization purposes, this project is considered as a part of the Billing Automation projects.

A687 Automate Local Black Start Calculation

- Project is delayed pending availability of resources

A636 85/15 Schedule 1 Split - Phase 1

- This project has been placed on hold pending the availability of resources.
- Customer Settlements will continue to calculate this component of customer bills manually until a software solution is made available.

A689 Store Intermediate Billing Calculation Data

- The project is currently on hold.

A676 Automate DAM Congestion Shortfall Calculation

- Automation of the billing process is delayed pending availability of resources.

NYISO Projects Portfolio Status Report October 2004

A619 Controllable Tie Lines Scheduling & Pricing

- Analysis, prototypes, detailed requirements documents in progress.
- Design phase schedule to complete on 12/1.
- Development in progress for IS+ and database changes.

A707 Process to Enhance the Settlement Cycle

- Project requirements are currently being defined.

A675 Billing Simulator

- Major accomplishment this week was completion of testing for Use Case 53 Day Ahead Margin Assurance.
- Code Readiness V1.0 - Operational on hardware located at the PCC - bugs identified during testing are being addressed by the NYISO Team QA Testing - On-going approximately 90% complete
- Final Bill - The project has been focusing on readiness for Final Bill support.
- DSS Interface- The team has started to work with the DSS team to do complete integration testing in an effort to get the 6-10 PM production runtime restriction lifted. In addition we have been working to tune the Billing Simulator performance. Target completion is 11/15
- SMD2 readiness - the impact on phase I use cases is expected to be minimal. Formalizing the scope of the work is targeted for completion 11/15.

A708 Consolidate NYISO Offices

- The development of a detailed layout (Phase II Lamb Report) is complete.
- Additional options and cost analysis (i.e. Integrated Facility vs. PCC only vs. ACC only) have been evaluated and presented to both the BSP and Management Committee. The feedback from the BSP and MC was communicated to the Board of Directors.
- A Present Worth Analysis of the proposed new building is being conducted.

A724 PCC Modifications – Security

- The Phase III work (outer perimeter security) has been approved and is underway.
- A new Digital Messaging System (Target Vision) has been purchased. Training occurred the week of 10/4 with a follow up installation and training session scheduled for 11/1 - 11/4.
- Phase II work (Guard House and Lobby) was completed on 11/2. The lobby was opened for business on 11/2. A "Grand Opening" ceremony will be held later in November.

A734 Guard Deployment – 24 x 7

- Security stations have been set up at all four NYSIO facilities.
- The new security system (Diamond II) has been configured and rolled out to Wolf, Annex and Washington Ave. offices.
- Guards have been deployed at all facilities.
- The security system will be rolled out to the PCC upon completion of the Guard House scheduled for 11/16.

NYISO Projects Portfolio Status Report October 2004

A737 Migration to New Facility

- Advisory committees have been identified to break down the work of the migration and develop a detailed plan.
- Work has been put on hold pending the decision/priority of where the new facility will be located.

A739 Capital Improvements at PCC in Guilderland

- A preliminary report has been written identifying possible modifications to be made.

A649 Oracle Financials 9i Upgrade

- This project includes upgrading the Oracle Financials application to 11i, upgrading the database to 9i, and moving application & data to new hardware.
- Approval received for proceeding with the project, targeting Q1 2005 production implementation.
- Solution Beacon consultant was onsite for 4 weeks completing the first test upgrade. Test upgrade #2 is in progress. User testing to begin 11/8.

A732 Oracle Forms Upgrade to 6i

- FRS approved.
- Legacy / SMD2 Forms 6i server upgrade completed.
- Launchpad Upgrade currently being deployed to NYISO. Permissions to be removed from 6.0 forms directories on 11/5. Project will be complete.

A658 Facilitated Checkout

- ISO-NE checkout service deployed to production in late May (now available for NYISO production use).
- ISO-NE now using NYISO checkout service in production checkout application with excellent reviews.
- IMO and HQ plan to have checkout service in production by mid-July.
- Project team working with NYISO Operations to identify a convenient time to deploy Facilitated Checkout display to the NYISO control room (possibly June or July timeframe).

A543 UCAP Market Automation

- Development completed.
- Integration testing in progress.
- UAT by Resource Reliability in progress.

A541 TCC Online Auction Automation

- Project to resume after TCC audit.

A706 Develop a Virtual Regional Dispatch

- Scope and project requirements/deliverables are not yet defined.

NYISO Projects Portfolio Status Report October 2004

A664 DSS Enhancements V

- Implementing changes to load data to staging area multiple times per day.
- Evaluating Business Objects 6i upgrade
- SMD2 testing and deployment plan.
- Working on Requirements for Sign Convention
- Preparing plan for 2005
- Supporting Final Bills Closed out
- Supporting DSS production system

A699 MDEX Enhancements

- A series of improvements to the Open Access Same-Time Information System (OASIS) website were successfully deployed on Oct. 5.
- Requirements for the next series of enhancements are now being defined.

A704 Dialogic Communicator Implementation

- Scope and project requirements/deliverables are not yet defined.

A705 Inter-ISO Standards for Market Messages

- Scope and requirements have yet to be fully defined.

A740 Documentum - IT Implementation

- Documentum was deployed to SMD and CTS on 9/23.
- Remaining items to complete include migration of data to ESS storage and loading the SMD2 documents into the Documentum Database. Both of these activities are underway.

A703 SW Development Lifecycle Tools

- Bearing Point was contracted to perform an assessment of SW development lifecycle.

A701 New Technology Initiatives

- Scope and requirements have yet to be fully defined.

A702 Enhanced Market Security

- Scope and requirements have yet to be fully defined.

2005

Project ID	Project Description	Priority	Next Deployment	Project Manager	Project Sponsor	Estim Level	Remaining Hours	2005											
								Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
1 -- Priority Projects																			
A725	2004 SAS 70 Type 2 Audit	Exempt		RUBIN	BUDD	N/A	N/A												
A573	SMD 2.0 Internal NYISO System Implementation	1	12/01/04	SMITH	CALIMANO & KING	2	5,071												
A574	SMD 2.0 ABB System Impementation Support	1	12/01/04	MILLS	CALIMANO & KING	2	13,379												
A697	AutoSys Replacement	1	Deploy w/ SMD	VETTER	FELL	3	695												
A696	SDAC Replacement	1	Deploy w/ SMD	VETTER	FELL	3	376												
A667	Scarcity Pricing in SMD	1	Deploy w/ SMD	RINALDI	KING	2	219												
A710	SMD Web Environment	1		MILLER	FELL	2	358												
A709	Reserve Pickup Reporting	1	Deploy w/ SMD	RINALDI	CALIMANO	3	596												
A577	SMD 2.0 Integration	1		MILLER	FELL	2	419												
A690	Grouped Units	2	Deploy w/ SMD	RINALDI	DAVIS	2	126												
A600	Open Billing Issues	2		DUFFY	DAVIS	1	3,057												
A630	Automate the Voltage Support Service Corrections	2		JURCZYNSKI	DAVIS	N/A	N/A												
A687	Automate Local Black Start Calculation	2		JURCZYNSKI	DAVIS	N/A	N/A												
A636	85/15 Rate Schedule 1 Split - Phase 1	2		JURCZYNSKI	DAVIS	N/A	N/A												
A689	Store Intermediate Billing Calculation Data	2		JURCZYNSKI	DAVIS	N/A	N/A												
A676	Automate DAM Congestion Shortfall Calculation	2		JURCZYNSKI	DAVIS	N/A	N/A												
A619	Controllable Tie Lines Scheduling and Pricing	3		FITTS	CALIMANO	2	5,501												
A707	Process to Enhance the Settlement Cycle	4		JURCZYNSKI	DAVIS	N/A	N/A												
A675	Billing Simulator	5		PELUSO	FELL	1	1,116												
A708	New NYISO Facility	6		FARNEY	RAGOGNA	N/A	N/A												
A724	PCC Modifications - Security	6	Deployed	FARNEY	RAGOGNA	2	186												
A734	Guard Deployment - 24 x 7	6	11/16/04	FARNEY	RAGOGNA	2	34												
A737	Migration to New Facility	6		FARNEY	RAGOGNA	N/A	N/A												
A739	Capital Improvements of PCC in Guilderland	6		FARNEY	RAGOGNA	N/A	N/A												

Legend

12-B

Estimate Level











- 1 - Class 100 Estimate Based on Concept of Operations
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- 3 - Class 10 Estimate Based on Detailed Design
- * - Estimate Through Identified Deployments Only

- Duration Based Schedule
- Resource Limited Schedule
- Deployment Milestone
- Estimated FRS Completion

Project ID	Project Description	Priority	Next Deployment	Project Manager	Project Sponsor	Estim Level	Remaining Hours	2005											
								Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
A649	Oracle Financials Upgrades	7		RINALDI	FELL	1	565												
A732	Oracle Forms Upgrade to 6i	8	Deployed	RINALDI	FELL	3	26												
A658	Facilitated Checkout	9		MARTIN	FELL	2	3,681												
A543	UCAP Market Automation	10	03/01/05	FITTS	KING	3	2,958												
A541	TCC Online Auction Automation	11		FITTS	KING	N/A	N/A												
A706	Intra-Hours Transaction Scheduling (VRD)	12		VETTER	KING	N/A	N/A												
A664	DSS Market Monitoring Datamart I	13	12/01/04	LE	FELL	3	10,297												
A699	MDEX Enhancements	14		TBD	MURPHY	N/A	N/A												
A704	Dialogic Communicator Implementation	15		VETTER	KING	N/A	N/A												
A705	Inter-ISO Standards for Market Messages	16		PELUSO	FELL	N/A	N/A												
A740	Documentum - IT Implementation	17	Deployed	FARNEY	SANFORD	3	209												
A703	SW Development Lifecycle Tools	18		FITTS	FELL	N/A	N/A												
A701	New Technology Initiatives	19		PELUSO	FELL	N/A	N/A												
A702	Enhanced Market Security	21		FITTS	FELL	N/A	N/A												

Legend	12-B	Estimate Level	Duration Based Schedule
		1 - Class 100 Estimate Based on Concept of Operations	Resource Limited Schedule
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2005


Project ID	Project Description	Priority	Next Deployment	Project Manager	Project Sponsor	Estim Level	Remaining Hours	2005											
								Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
2 -- Studies & Training																			
A680	Annual (2003) New York Area Transmission Review	1		COREY	BROWN	2	N/A												
A037	NYISO/TO Baseline Plan Study - 2001	2		COREY	BROWN	2	N/A												
A591	Calpine (was SkyGen) Waterford	3	11/02/04	COREY	BROWN	2	N/A												
A208	NYSEG Solutions So. Glens Falls Expansion (Reimbursable)	4		COREY	BROWN	2	N/A												
A679	SIS for Liberty Proposed Transmission Expansion	5	04/17/05	COREY	BROWN	2	N/A												
A682	NYISO Transmission Planning Process	6	01/28/05	COREY	BROWN	2	N/A												
A692	NYISO-NYSERDA Wind Generation Integration Study	7	01/06/05	COREY	BROWN	2	N/A												
A726	SRIS for the East Coast Power Linden Gen Expansion Project	8	05/31/05	COREY	BROWN	2	N/A												
A727	SRIS for the East Coast Power Linden VFT Inter-Tie Project	9	05/31/05	COREY	BROWN	2	N/A												
A742	SRIS - NM-NGrid Leeds-Pleasant Vly Prj.(Reimbursable)	10	01/03/05	COREY	BROWN	2	N/A												
A744	SRIS for the Invenergy High Sheldon Windfarm Project	11	01/03/05	COREY	BROWN	2	N/A												
A745	SRIS for the Summer 2004 Mobile Gen. (Reimbursable)	12	01/03/05	COREY	BROWN	2	N/A												
A746	SRIS for the ConEd Mott Haven Subst. (Reimbursable)	13	01/03/05	COREY	BROWN	2	N/A												
A750	Interconnection Request/Invenergy Canisteo Hills	14		COREY	BROWN	2	N/A												
A751	Interconnection Req/Invenergy-Stamford Wind Proj (RMBP)[NEW]	15		COREY	BROWN	2	N/A												
A752	Interconnection Request/AREC-Fairfield Wind Proj (RMBP)[NEW]	16		COREY	BROWN	2	N/A												
A753	Interconnection Req/Orion Energy NYII(Mont. Co)(RMBP)[NEW]	17		COREY	BROWN	2	N/A												
A754	Interconnection Req/Orion Energy NYI(Herkimer Co)(RMBP)[NEW]	18		COREY	BROWN	2	N/A												
A755	Interconnection Req/Orion Energy NYIII(Clinton Co)RMBP)[NEW]	19		COREY	BROWN	2	N/A												
A756	Interconnection Request/AREC-Burke Wind Project (RMBP)[NEW]	20		COREY	BROWN	2	N/A												
A621	Restoration Sensitivity Studies	N/A		WALDELE	CALIMANO	N/A	N/A												
A645	Operations Reactive Study	N/A		WALDELE	CALIMANO	N/A	N/A												

Legend

12-B

Estimate Level

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Duration Based Schedule 

Resource Limited Schedule 

Deployment Milestone 

Estimated FRS Completion 


Project ID	Project Description	Priority	Next Deployment	Project Manager	Project Sponsor	Estim Level	Remaining Hours	2005													
								Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	N	
A672	Quebec - New York Interconnection Limit Analysis	N/A		WALDELE	CALIMANO	N/A	N/A														
A673	Athens Generation In-Service Operating Study	N/A		WALDELE	CALIMANO	N/A	N/A														


Legend

12-B

Estimate Level

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Duration Based Schedule 

Resource Limited Schedule 

Deployment Milestone 

Estimated FRS Completion 