



Monthly Report

December 2006

Rana Mukerji

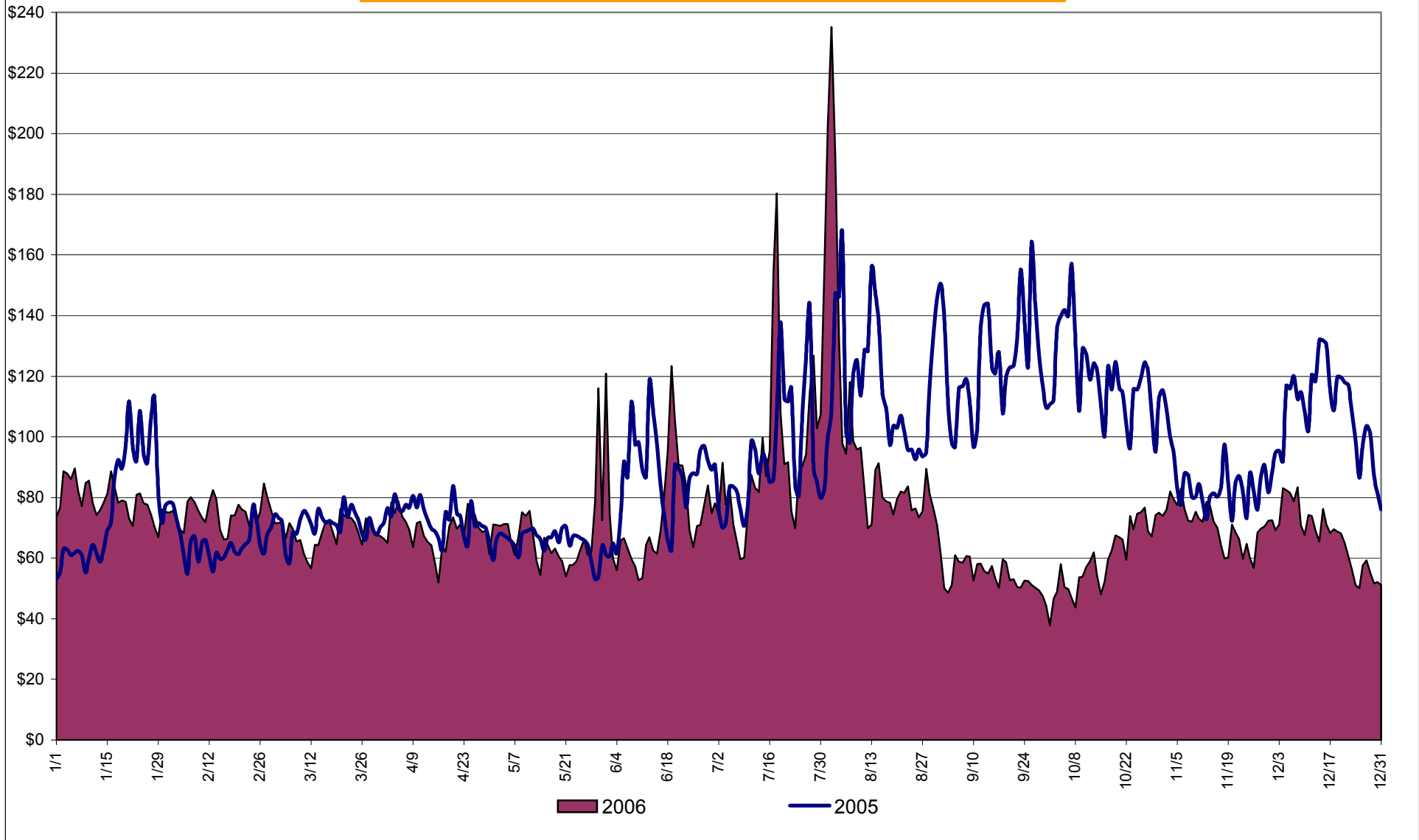
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Market Performance Highlights for December 2006

- LBMP for December is \$63.97/MWh, down from \$68.44/MWh in November.
 - Average monthly cost is \$67.52/MWh, down from \$71.11/MWh in November.
 - Day Ahead and Real Time LBMPs have decreased from November.
- Average daily sendout is 435GWh/day in December 2006, 19GWh/day less than December 2005
- Fuel prices are mixed this month.
 - Kerosene is \$13.78/mmBTU, up from \$13.18/mmBTU in November
 - No. 2 Fuel Oil is \$11.96/mmBTU, up from \$11.69/mmBTU in November
 - No. 6 Fuel Oil is \$7.66/mmBTU, down from \$8.00/mmBTU in November
 - Natural Gas is \$7.35/mmBTU, down from \$7.91/mmBTU in November
- Uplift has increased this month relative to November 2006.
 - Uplift (not including NYISO cost of operations) is \$1.12/MWh, up from \$0.29/MWh in November.
 - Total uplift (Schedule 1 components including NYISO Cost of Operations) increased from \$12.0 million in November 2006 to \$24.1 million in December 2006. This is in line with expected seasonal variations.

Daily NYISO Average Cost/MWh (Energy & Ancillary Services)*
 2005 Annual Average \$93.83/MWh
 December 2005 YTD Average \$93.83/MWh
 December 2006 YTD Average \$76.45/MWh



* Excludes ICAP payments.

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

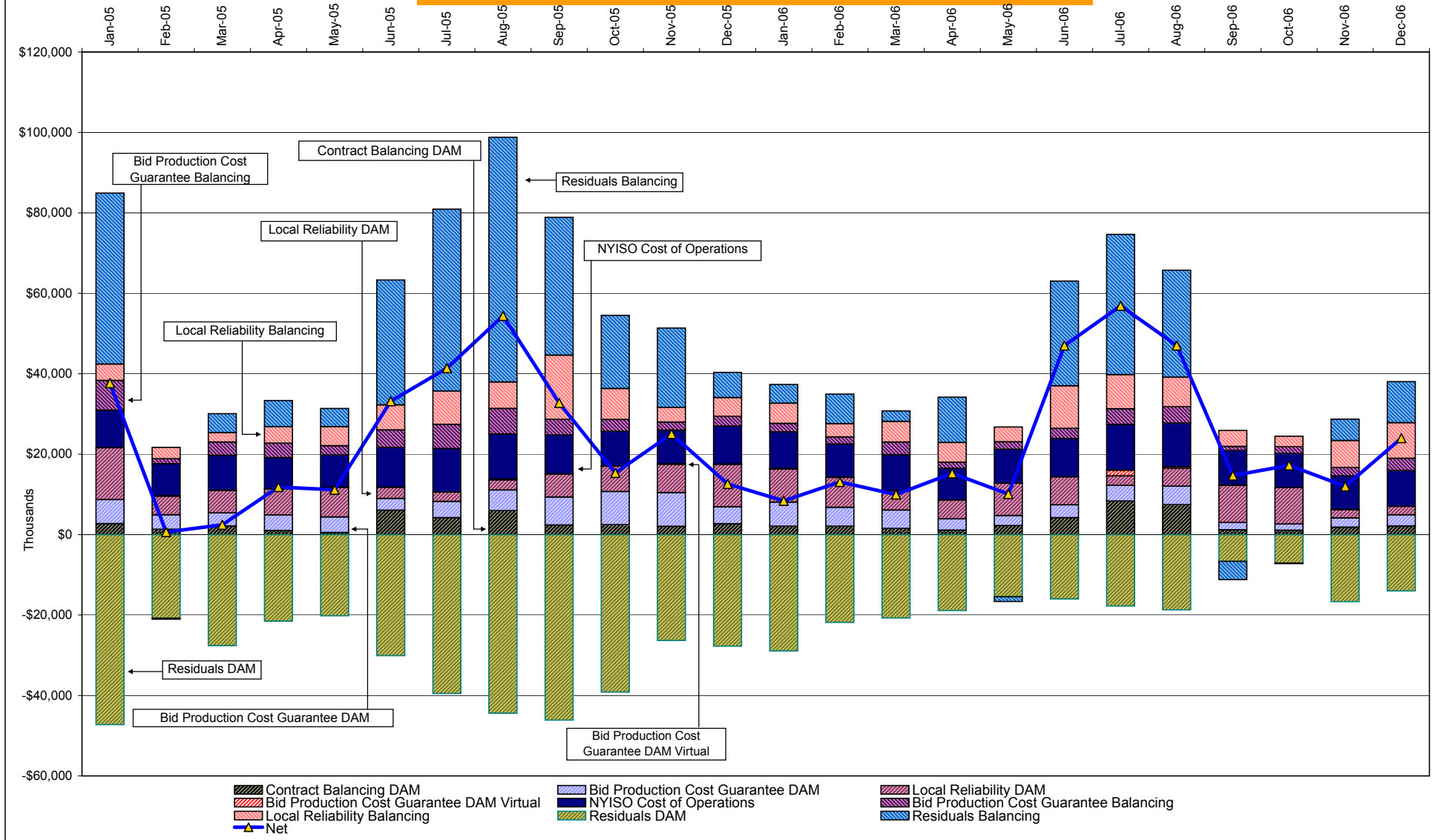
2006	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
LBMP	77.13	71.86	66.52	66.24	65.54	71.94	93.41	101.33	51.89	57.60	68.44	63.97
NTAC	0.46	0.90	0.43	0.54	0.64	0.69	0.47	0.39	0.33	0.38	0.42	0.48
Reserve	0.35	0.30	0.29	0.35	0.16	0.22	0.30	0.13	0.29	0.29	0.46	0.43
Regulation	0.56	0.68	0.69	0.47	0.42	0.39	0.30	0.28	0.41	0.43	0.49	0.52
NYISO Cost of Operations	0.64	0.64	0.64	0.64	0.64	0.64	0.64	0.64	0.64	0.64	0.64	0.64
Uplift	(0.06)	0.37	0.09	0.63	0.12	2.63	2.42	2.28	0.46	0.68	0.29	1.12
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	0.36	0.36
Avg Monthly Cost	79.46	75.11	69.03	69.24	67.88	76.87	97.90	105.42	54.38	60.38	71.11	67.52
Avg YTD Cost	79.46	77.40	74.49	73.24	72.19	73.07	77.90	82.11	79.45	77.72	77.21	76.45

2005	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
LBMP	75.70	64.04	69.94	71.28	63.13	84.85	92.41	115.19	122.46	118.59	82.01	106.12
NTAC	0.42	0.35	0.23	0.48	0.39	0.58	0.46	0.25	0.10	0.03	0.39	0.64
Reserve	0.25	0.08	0.17	0.21	0.20	(0.01)	0.11	0.02	0.31	0.54	0.34	0.38
Regulation	0.32	0.38	0.34	0.22	0.25	0.20	0.15	0.06	0.41	0.64	0.70	0.53
NYISO Cost of Operations	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63
Uplift	1.99	(0.57)	(0.45)	0.35	0.26	1.76	1.92	2.54	1.57	0.50	1.27	0.20
Voltage Support and Black Start	0.39	0.39	0.39	0.39	0.39	0.39	0.39	0.39	0.39	0.39	0.39	0.39
Avg Monthly Cost	79.71	65.30	71.25	73.56	65.26	88.41	96.06	119.07	125.87	121.32	85.74	108.89
Avg YTD Cost	79.71	73.20	72.53	72.77	71.45	74.81	78.81	85.42	90.22	93.02	92.45	93.83

* Excludes ICAP payments.

These numbers reflect the rebilling of prior periods.

NYISO Dollar Flows - Uplift - OATT Schedule 1 components



DAM Contract Balancing amounts are for payments made to generating units to make them whole for being dispatched below their Day-Ahead schedule, as a result of out-of-merit dispatches.
 DAM Bid Production Cost Guarantees for Virtual Transactions are included in the chart and are shown from the inception of Virtual Transactions. These values are small and cannot be identified on the chart.
 DAM residuals are revenue charged or returned to customers due to the under or over collection of funds.

NYISO Markets Transactions

2006	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
Day Ahead Market MWh	13,877,416	12,532,754	13,392,627	11,860,369	12,637,299	14,251,897	17,302,066	16,604,505	13,110,510	12,648,358	12,827,462	13,423,412
DAM LSE Internal LBMP Energy Sales	46%	47%	48%	50%	46%	48%	51%	50%	46%	47%	44%	47%
DAM External TC LBMP Energy Sales	4%	3%	2%	2%	3%	3%	5%	5%	3%	3%	4%	2%
DAM Bilateral - Internal Bilaterals	47%	47%	45%	45%	47%	45%	41%	42%	48%	47%	49%	47%
DAM Bilateral - Import/Non-LBMP Market Bilaterals	2%	2%	2%	2%	2%	2%	1%	2%	2%	2%	2%	2%
DAM Bilateral - Export/Non-LBMP Market Bilaterals	1%	1%	2%	1%	1%	1%	2%	1%	1%	1%	1%	1%
DAM Bilateral - Wheel Through Bilaterals	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Balancing Energy Market MWh	299,347	312,712	555,364	396,752	486,039	559,821	471,866	339,367	233,201	512,098	169,737	374,567
Balancing Energy LSE Internal LBMP Energy Sales	2%	20%	31%	26%	45%	32%	49%	38%	16%	51%	-45%	35%
Balancing Energy External TC LBMP Energy Sales	87%	76%	66%	68%	48%	60%	62%	63%	89%	45%	132%	61%
Balancing Energy Bilateral - Internal Bilaterals	5%	2%	2%	2%	2%	5%	1%	2%	-1%	1%	13%	4%
Balancing Energy Bilateral - Import/Non-LBMP Market Bilaterals	2%	1%	0%	0%	3%	0%	0%	0%	3%	0%	0%	0%
Balancing Energy Bilateral - Export/Non-LBMP Market Bilaterals	1%	1%	1%	1%	0%	0%	-12%	1%	1%	1%	1%	1%
Balancing Energy Bilateral - Wheel Through Bilaterals	4%	1%	0%	3%	2%	3%	0%	-3%	24%	2%	-1%	-1%
Transactions Summary												
LBMP	51%	50%	52%	53%	51%	53%	57%	56%	49%	52%	48%	50%
Internal Bilaterals	46%	46%	43%	43%	45%	44%	40%	42%	47%	45%	48%	46%
Import Bilaterals	2%	2%	2%	2%	2%	2%	1%	1%	2%	2%	2%	2%
Export Bilaterals	1%	1%	2%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Wheels Through	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Market Share of Total Load												
Day Ahead Market	97.9%	97.6%	96.0%	96.8%	96.3%	96.2%	97.3%	98.0%	98.3%	96.1%	98.7%	97.3%
Balancing Energy †	2.1%	2.4%	4.0%	3.2%	3.7%	3.8%	2.7%	2.0%	1.7%	3.9%	1.3%	2.7%
Total MWh	14,176,763	12,845,466	13,947,991	12,257,122	13,123,339	14,811,719	17,773,932	16,943,872	13,343,711	13,160,456	12,997,199	13,797,979
Average Daily Energy Sendout/Month GWh	439	444	428	395	407	471	528	518	430	409	416	435
2005	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
Day Ahead Market MWh	14,281,481	12,510,148	13,410,579	12,215,628	12,773,478	14,981,363	16,344,465	16,587,663	14,706,243	13,309,658	12,893,992	14,418,648
DAM LSE Internal LBMP Energy Sales	48%	49%	52%	52%	45%	50%	53%	52%	49%	46%	45%	46%
DAM External TC LBMP Energy Sales	3%	1%	1%	1%	3%	3%	3%	4%	6%	4%	4%	5%
DAM Bilateral - Internal Bilaterals	47%	48%	45%	44%	50%	44%	42%	42%	43%	47%	48%	46%
DAM Bilateral - Import/Non-LBMP Market Bilaterals	1%	1%	1%	0%	0%	1%	1%	1%	2%	2%	2%	2%
DAM Bilateral - Export/Non-LBMP Market Bilaterals	1%	1%	1%	1%	2%	1%	1%	1%	1%	1%	1%	1%
DAM Bilateral - Wheel Through Bilaterals	1%	0%	1%	0%	0%	1%	0%	0%	0%	0%	0%	0%
Balancing Energy Market MWh	414,096	112,878	329,063	43,729	-101,266	589,757	798,279	1,108,556	554,021	378,592	359,195	509,212
Balancing Energy LSE Internal LBMP Energy Sales	77%	-52%	22%	-480%	-307%	47%	73%	73%	34%	2%	-18%	40%
Balancing Energy External TC LBMP Energy Sales	43%	176%	77%	616%	208%	44%	23%	21%	50%	94%	102%	50%
Balancing Energy Bilateral - Internal Bilaterals	-13%	-10%	7%	-36%	5%	5%	6%	6%	13%	4%	13%	11%
Balancing Energy Bilateral - Import/Non-LBMP Market Bilaterals	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Balancing Energy Bilateral - Export/Non-LBMP Market Bilaterals	1%	0%	0%	3%	2%	1%	1%	0%	0%	1%	1%	1%
Balancing Energy Bilateral - Wheel Through Bilaterals	-8%	-14%	-5%	-2%	-8%	3%	-2%	1%	3%	-1%	2%	-1%
Transactions Summary												
LBMP	53%	51%	54%	54%	47%	54%	58%	58%	56%	52%	50%	52%
Internal Bilaterals	45%	47%	44%	44%	50%	43%	40%	39%	42%	45%	47%	45%
Import Bilaterals	1%	1%	1%	0%	0%	1%	1%	1%	1%	2%	2%	2%
Export Bilaterals	1%	1%	1%	1%	2%	1%	1%	1%	1%	1%	1%	1%
Wheels Through	0%	0%	0%	0%	0%	1%	0%	0%	0%	0%	0%	0%
Market Share of Total Load												
Day Ahead Market	97.2%	99.1%	97.6%	99.6%	100.8%	96.2%	95.3%	93.7%	96.4%	97.2%	97.3%	96.6%
Balancing Energy †	2.8%	0.9%	2.4%	0.4%	-0.8% *	3.8%	4.7%	6.3%	3.6%	2.8%	2.7%	3.4%
Total MWh	14,695,577	12,623,025	13,739,642	12,259,357	12,672,212	15,571,120	17,142,744	17,696,220	15,260,264	13,688,250	13,253,187	14,927,859
Average Daily Energy Sendout/Month GWh	462	447	433	399	395	501	536	549	478	418	419	454

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

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

Notes: Percent totals may not equal 100% due to rounding.
Virtual Transactions are not reflected in this chart.

NYISO Markets 2006 Energy Statistics

	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
<u>DAY AHEAD LBMP</u>												
Price *	\$73.28	\$68.90	\$64.31	\$63.21	\$59.31	\$64.40	\$83.27	\$88.13	\$48.97	\$53.46	\$63.47	\$58.14
Standard Deviation	\$15.03	\$12.95	\$11.95	\$13.28	\$13.70	\$22.66	\$40.24	\$50.58	\$12.19	\$16.54	\$18.80	\$19.65
Load Weighted Price **	\$75.09	\$70.34	\$65.74	\$64.93	\$61.29	\$68.02	\$89.27	\$95.39	\$50.76	\$55.39	\$65.78	\$60.45
<u>RTC *** LBMP</u>												
Price *	\$70.25	\$63.41	\$63.04	\$62.39	\$60.81	\$61.60	\$77.27	\$91.21	\$47.92	\$56.36	\$62.79	\$56.22
Standard Deviation	\$26.63	\$15.86	\$20.50	\$18.82	\$37.26	\$39.82	\$56.30	\$107.73	\$16.64	\$33.37	\$32.34	\$29.15
Load Weighted Price **	\$71.94	\$64.44	\$64.43	\$63.93	\$63.75	\$65.15	\$83.30	\$101.89	\$49.51	\$58.87	\$65.30	\$58.49
<u>REAL TIME LBMP</u>												
Price *	\$70.91	\$63.96	\$63.66	\$62.35	\$63.29	\$61.23	\$78.58	\$89.95	\$47.09	\$54.66	\$60.65	\$55.94
Standard Deviation	\$31.34	\$20.06	\$23.01	\$20.98	\$62.40	\$52.63	\$66.83	\$97.29	\$17.93	\$27.32	\$28.71	\$29.79
Load Weighted Price **	\$73.18	\$65.38	\$65.38	\$64.13	\$68.66	\$66.47	\$86.37	\$102.03	\$48.95	\$57.21	\$63.26	\$58.87
Average Daily Energy Sendout/Month GWh	439	444	428	395	407	471	528	518	430	409	416	435

NYISO Markets 2005 Energy Statistics

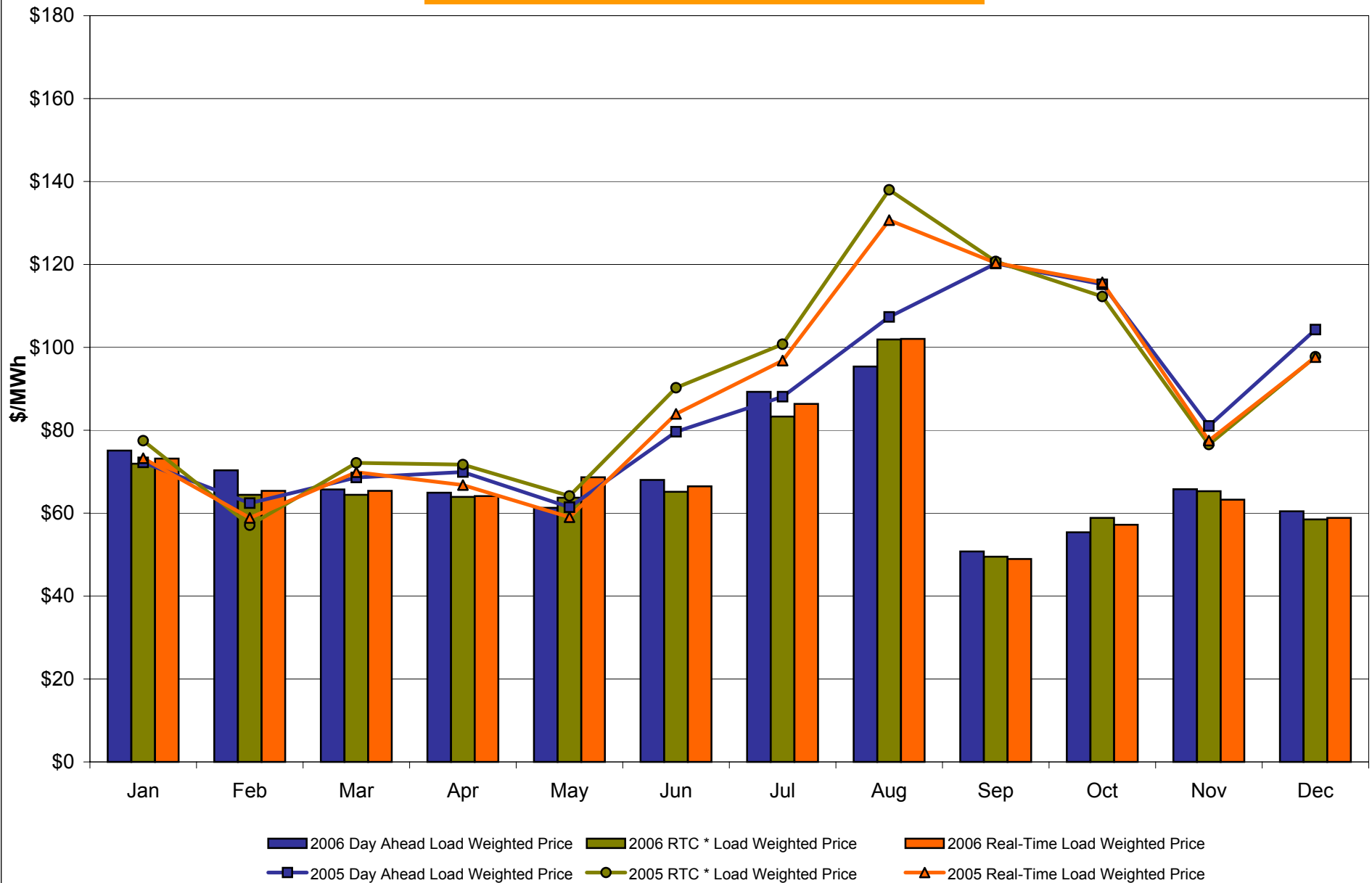
	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
<u>DAY AHEAD LBMP</u>												
Price *	\$69.55	\$61.04	\$67.17	\$68.14	\$59.59	\$75.49	\$83.75	\$102.33	\$115.47	\$110.99	\$78.56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

* Average zonal load weighted prices.

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

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

NYISO Monthly Average Internal LBMPs 2005 - 2006



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

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

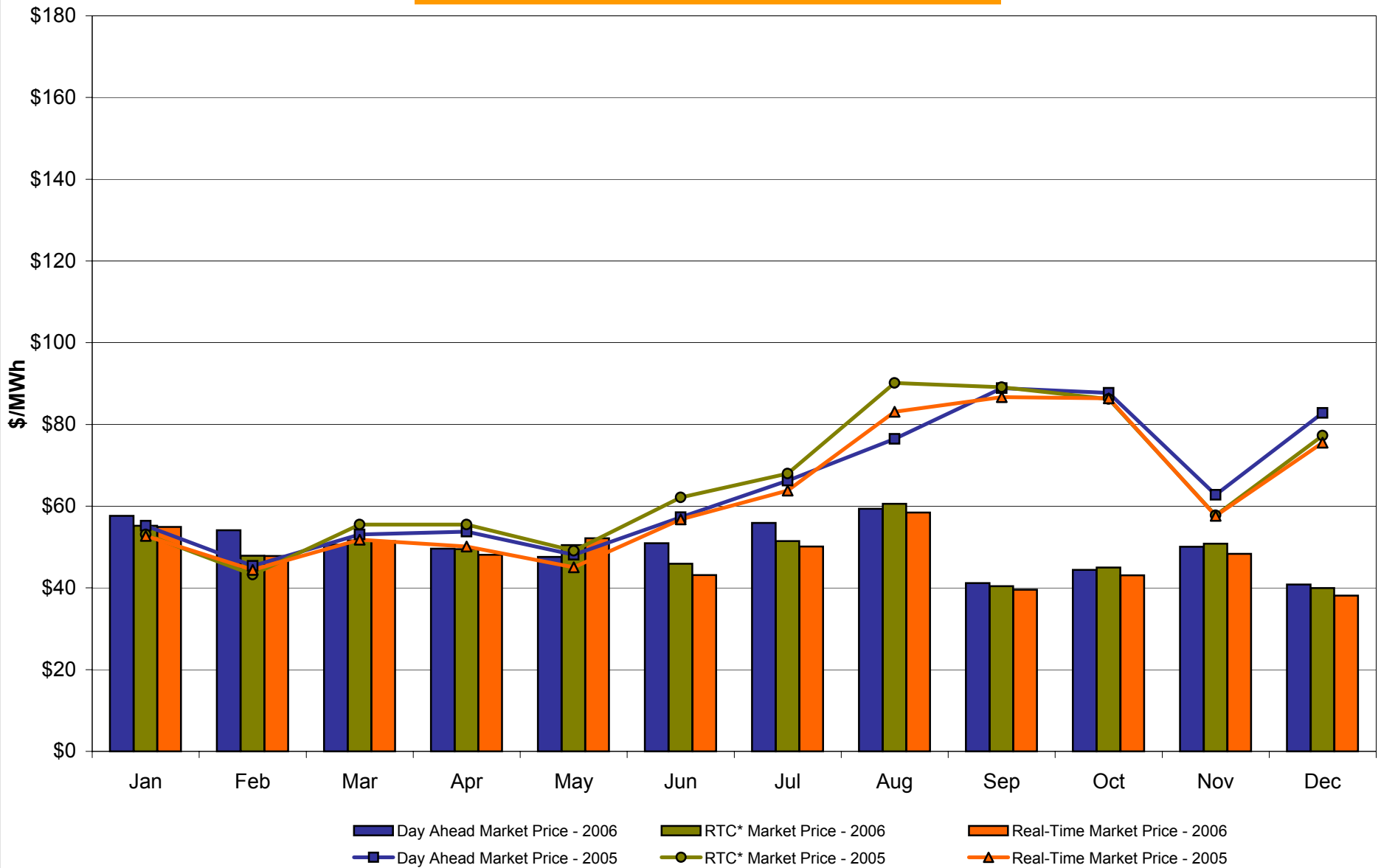
	<u>WEST Zone A</u>	<u>GENESEE Zone B</u>	<u>NORTH Zone D</u>	<u>CENTRAL Zone C</u>	<u>MOHAWK VALLEY Zone E</u>	<u>CAPITAL Zone F</u>	<u>HUDSON VALLEY Zone G</u>	<u>MILLWOOD Zone H</u>	<u>DUNWOODIE Zone I</u>	<u>NEW YORK CITY Zone J</u>	<u>LONG ISLAND Zone K</u>
<u>DAY AHEAD LBMP</u>											
Unweighted Price *	40.84	42.56	43.57	44.64	45.73	60.00	58.29	58.75	59.01	65.17	78.02
Standard Deviation	16.55	17.23	17.69	17.65	18.34	17.64	18.60	18.77	18.81	22.15	26.98
<u>RTC** LBMP</u>											
Unweighted Price *	39.96	41.20	40.14	42.78	42.97	60.68	58.12	58.59	58.63	62.96	73.85
Standard Deviation	27.32	28.48	28.79	28.70	29.45	31.44	30.65	30.89	30.89	32.40	33.55
<u>REAL TIME LBMP</u>											
Unweighted Price *	38.09	39.22	38.00	40.71	40.81	59.53	57.03	57.53	57.59	65.18	75.17
Standard Deviation	25.88	27.04	27.65	27.20	28.00	34.82	32.78	33.04	33.09	37.57	38.14
	<u>ONTARIO IESO Zone O</u>	<u>HYDRO QUEBEC Zone M</u>	<u>PJM Zone P</u>	<u>NEW ENGLAND Zone N</u>	<u>CROSS SOUND CABLE Controllable Line</u>						
<u>DAY AHEAD LBMP</u>											
Unweighted Price *	39.92	43.52	43.13	58.94	77.48						
Standard Deviation	16.22	17.85	17.31	17.74	26.78						
<u>RTC** LBMP</u>											
Unweighted Price *	37.04	36.28	40.23	54.33	70.44						
Standard Deviation	17.55	41.97	17.72	17.78	25.57						
<u>REAL TIME LBMP</u>											
Unweighted Price *	37.45	37.50	40.35	56.64	74.42						
Standard Deviation	25.01	25.47	24.57	31.55	37.38						

* Straight zonal LBMP averages

** Referred to as RTC beginning February 2005

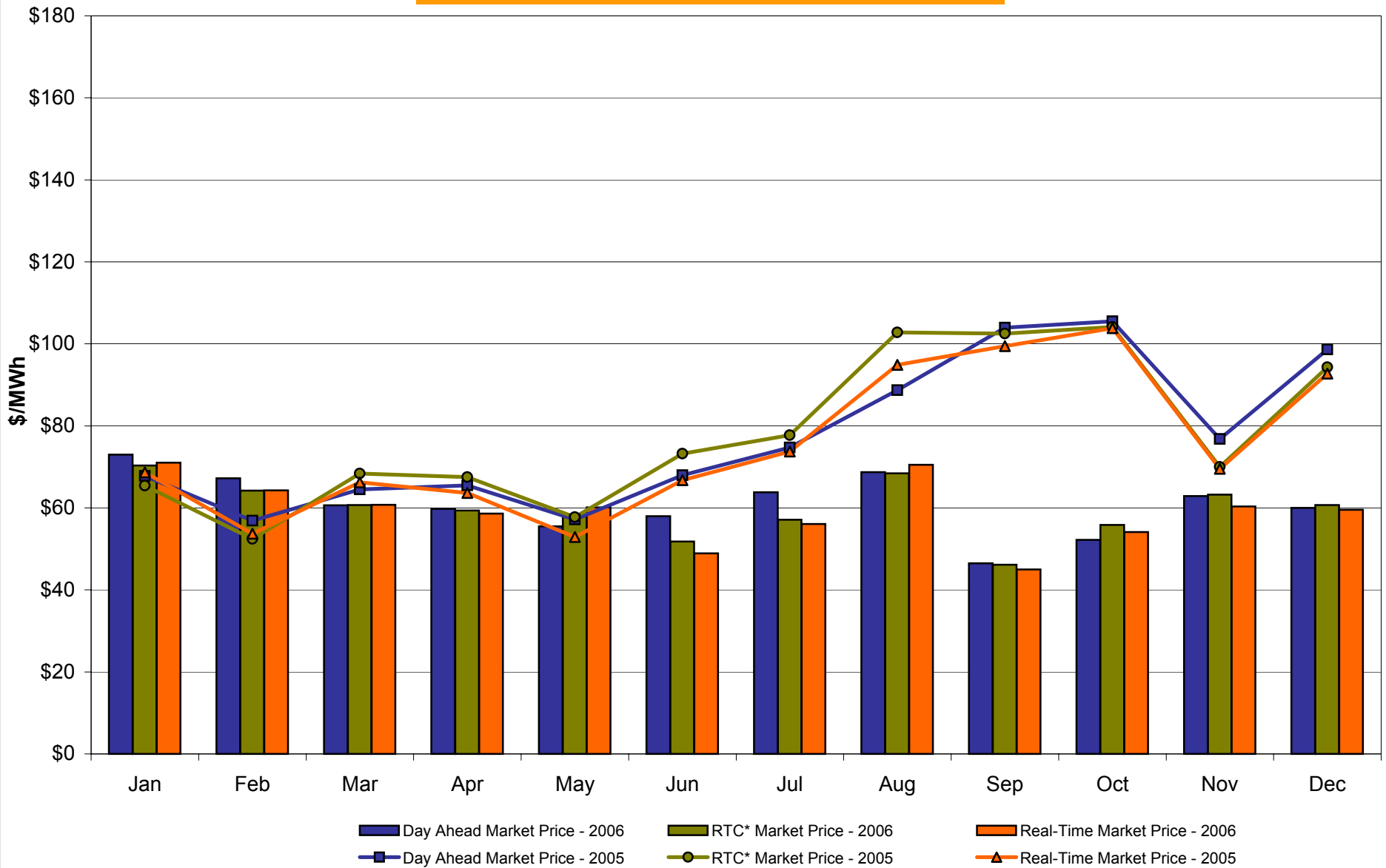
Prior to February 2005 known as BME or Hour Ahead Market (HAM)

West Zone A Monthly Average LBMP Prices 2005 - 2006



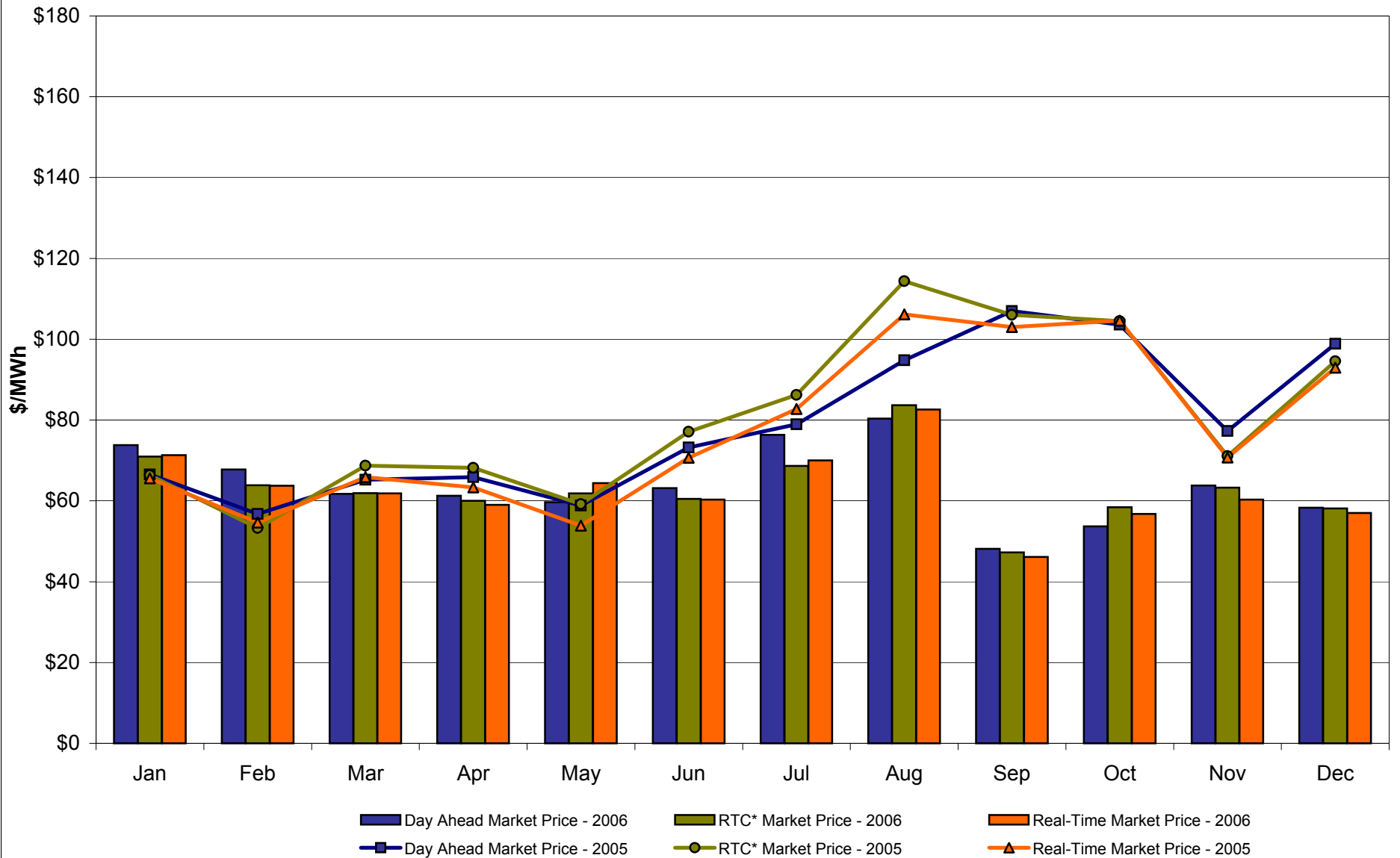
* Referred to as RTC beginning February 2005.
Prior to February 2005 known as BME or Hour Ahead Market (HAM).

Capital Zone F Monthly Average LBMP Prices 2005 - 2006



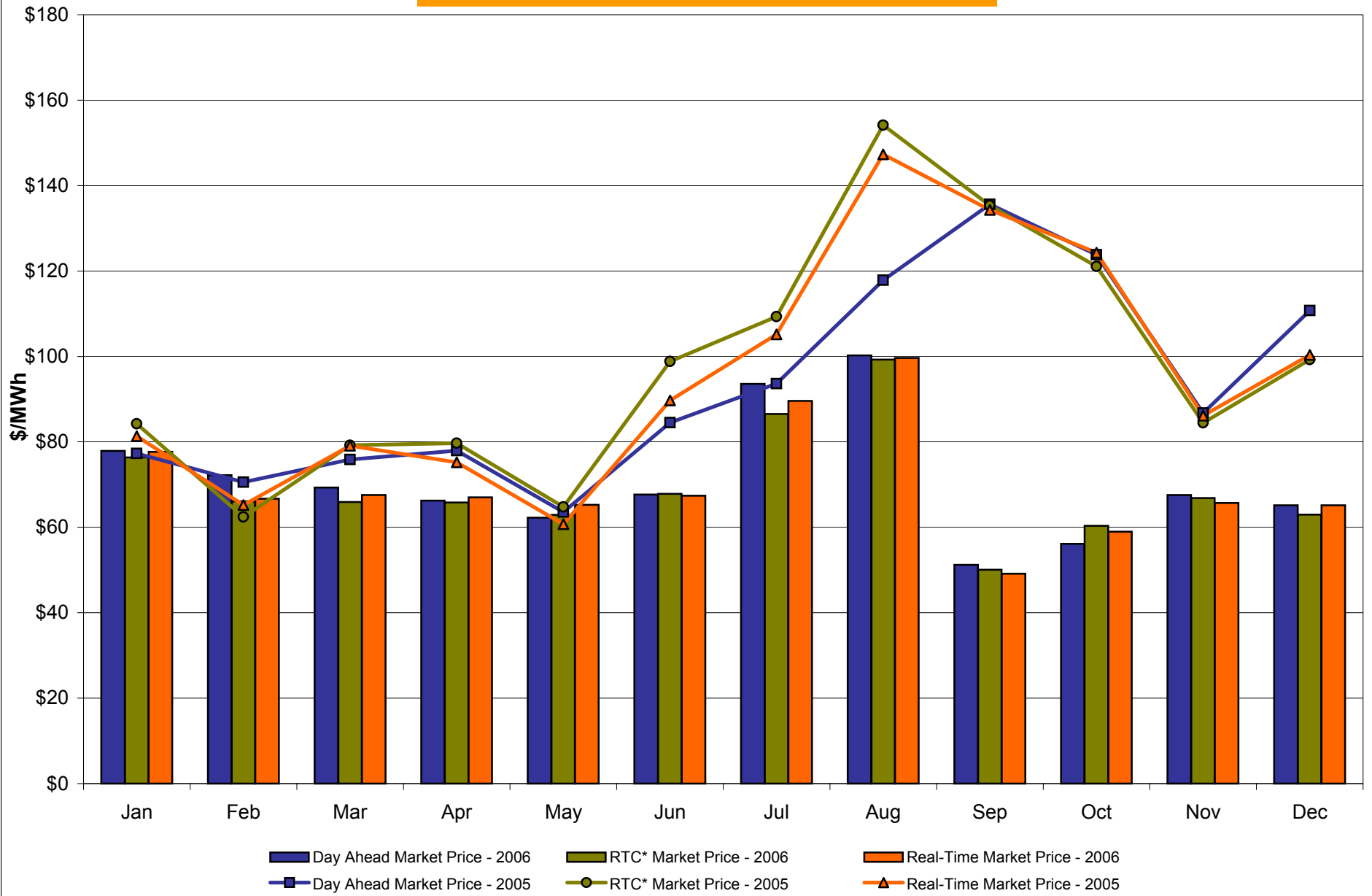
* Referred to as RTC beginning February 2005.
Prior to February 2005 known as BME or Hour Ahead Market (HAM).

Hudson Valley Zone G Monthly Average LBMP Prices 2005 - 2006



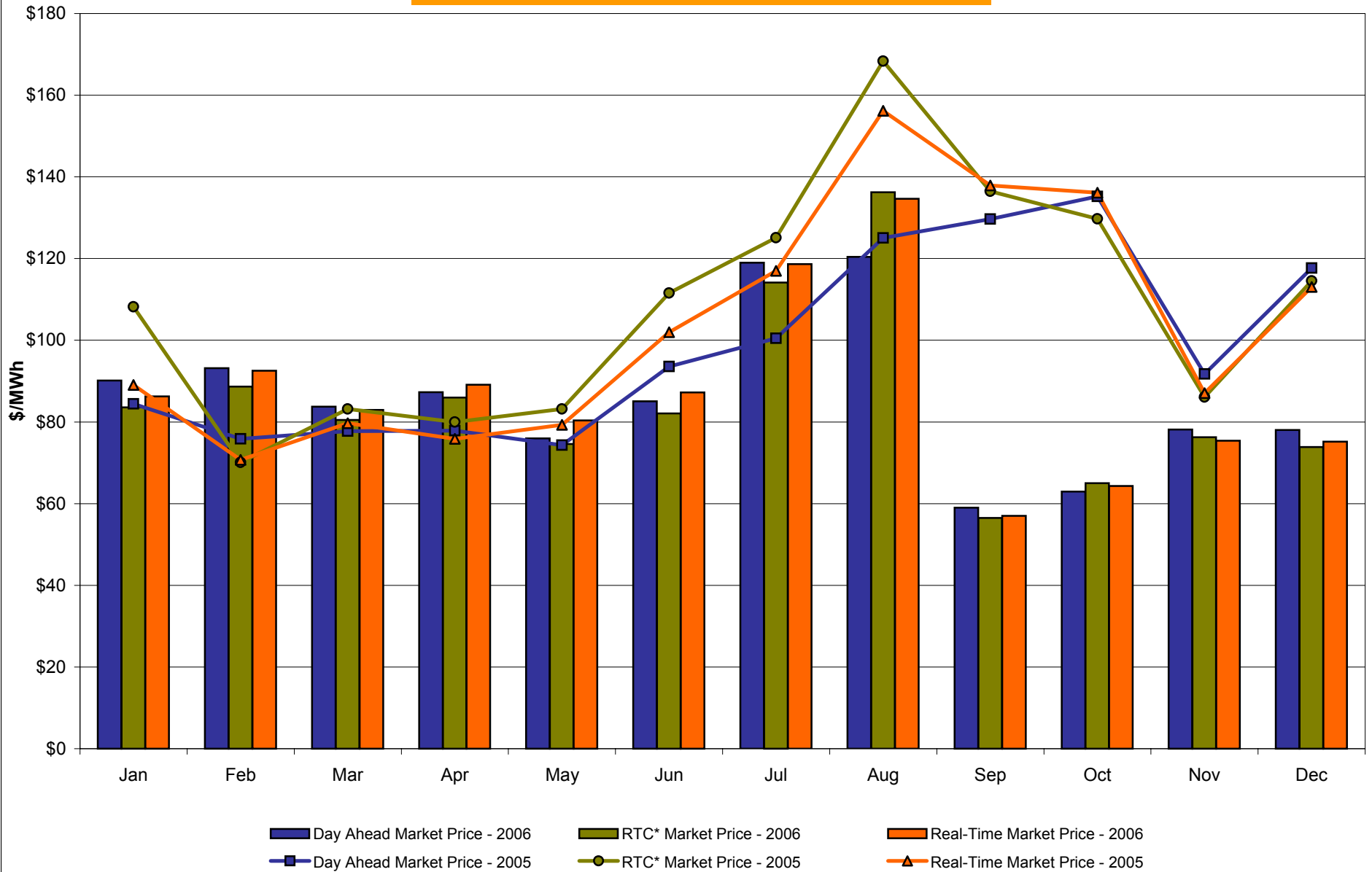
* Referred to as RTC beginning February 2005.
Prior to February 2005 known as BME or Hour Ahead Market (HAM).

NYC Zone J Monthly Average LBMP Prices 2005 - 2006



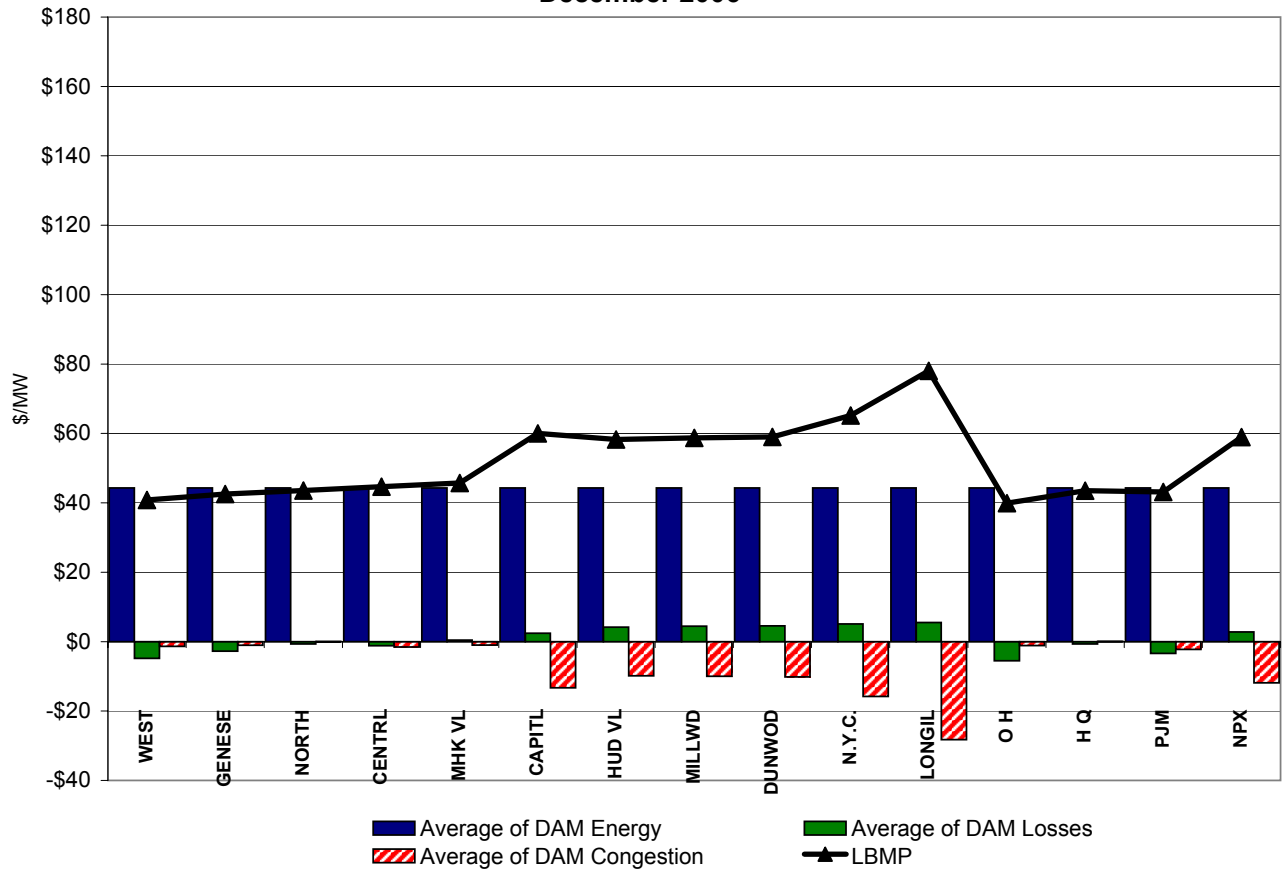
* Referred to as RTC beginning February 2005.
Prior to February 2005 known as BME or Hour Ahead Market (HAM).

Long Island Zone K Monthly Average LBMP Prices 2005 - 2006

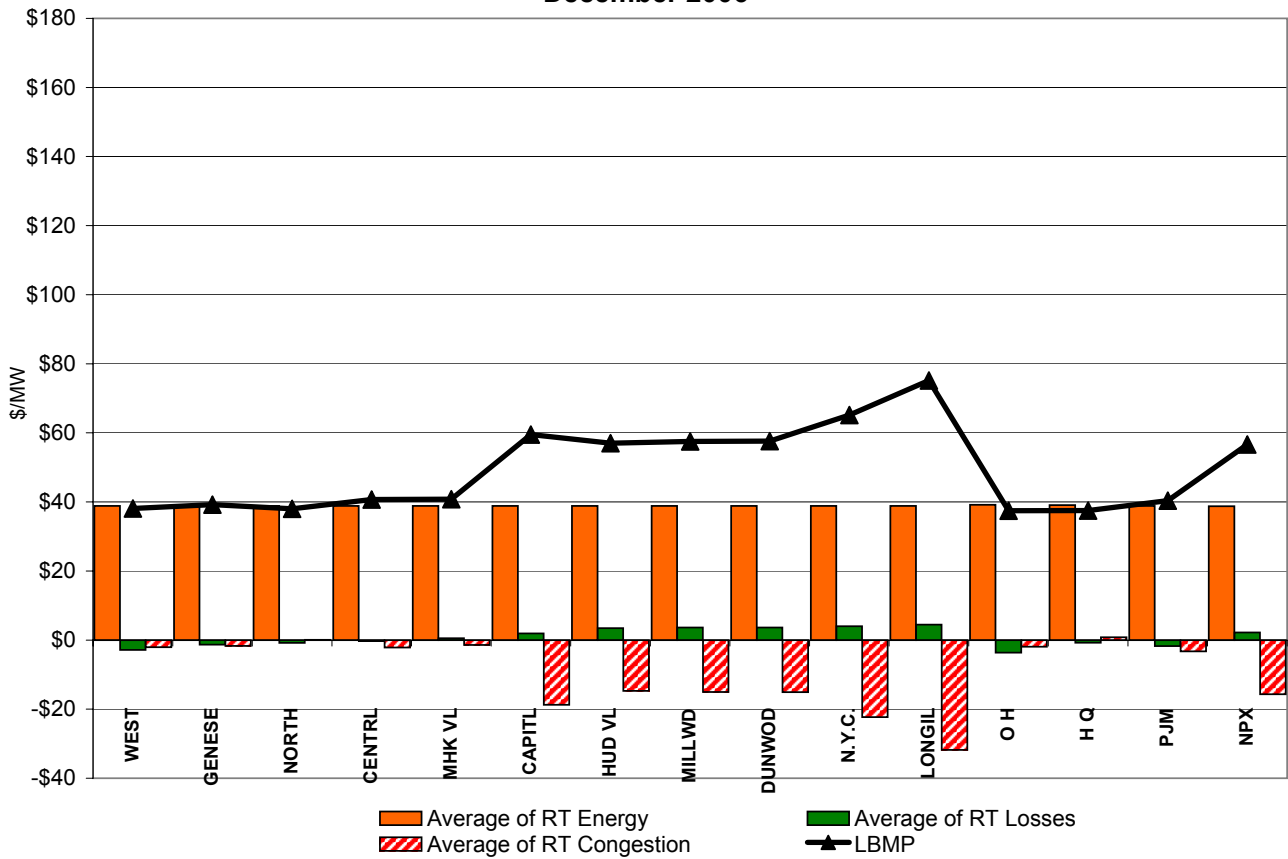


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Prior to February 2005 known as BME or Hour Ahead Market (HAM).

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

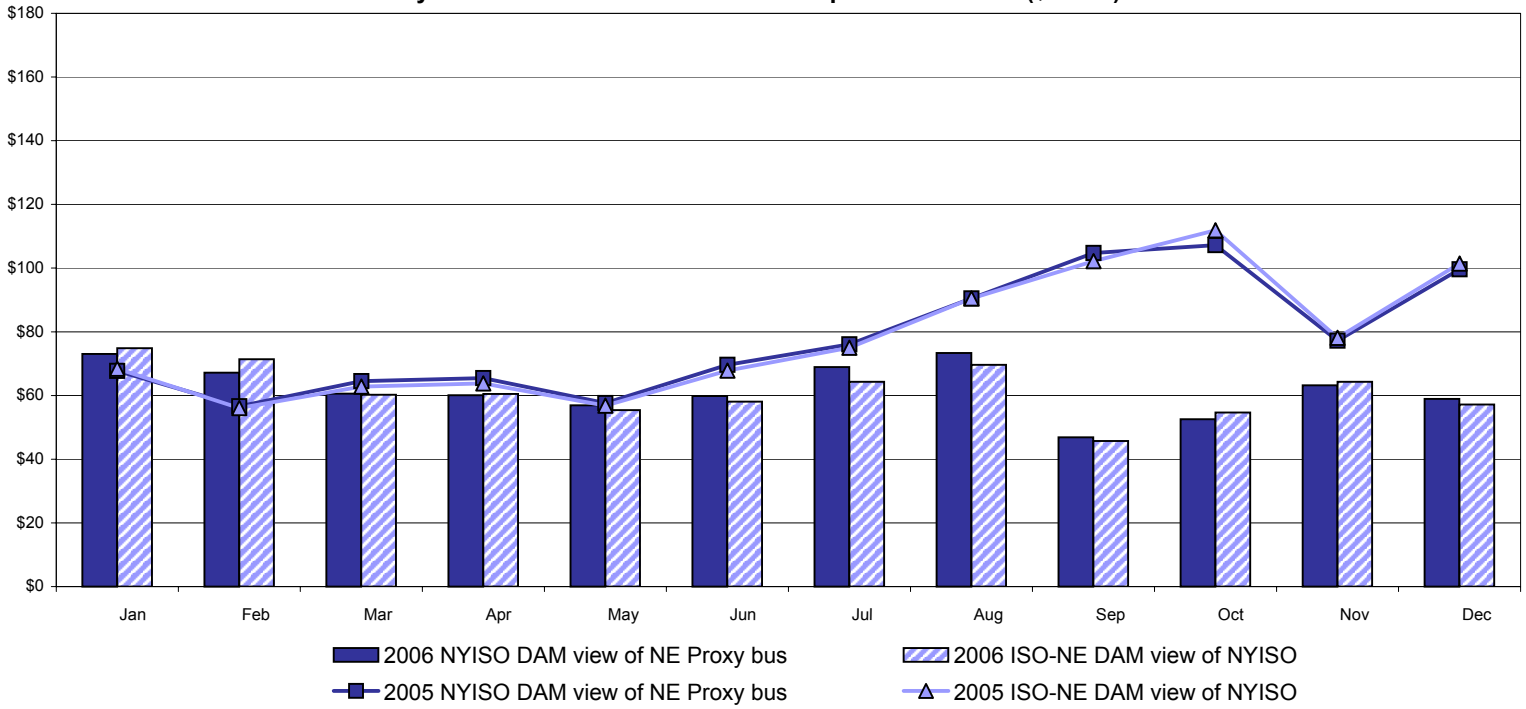


**RT Zonal Unweighted Monthly Average LBMP Components
December 2006**

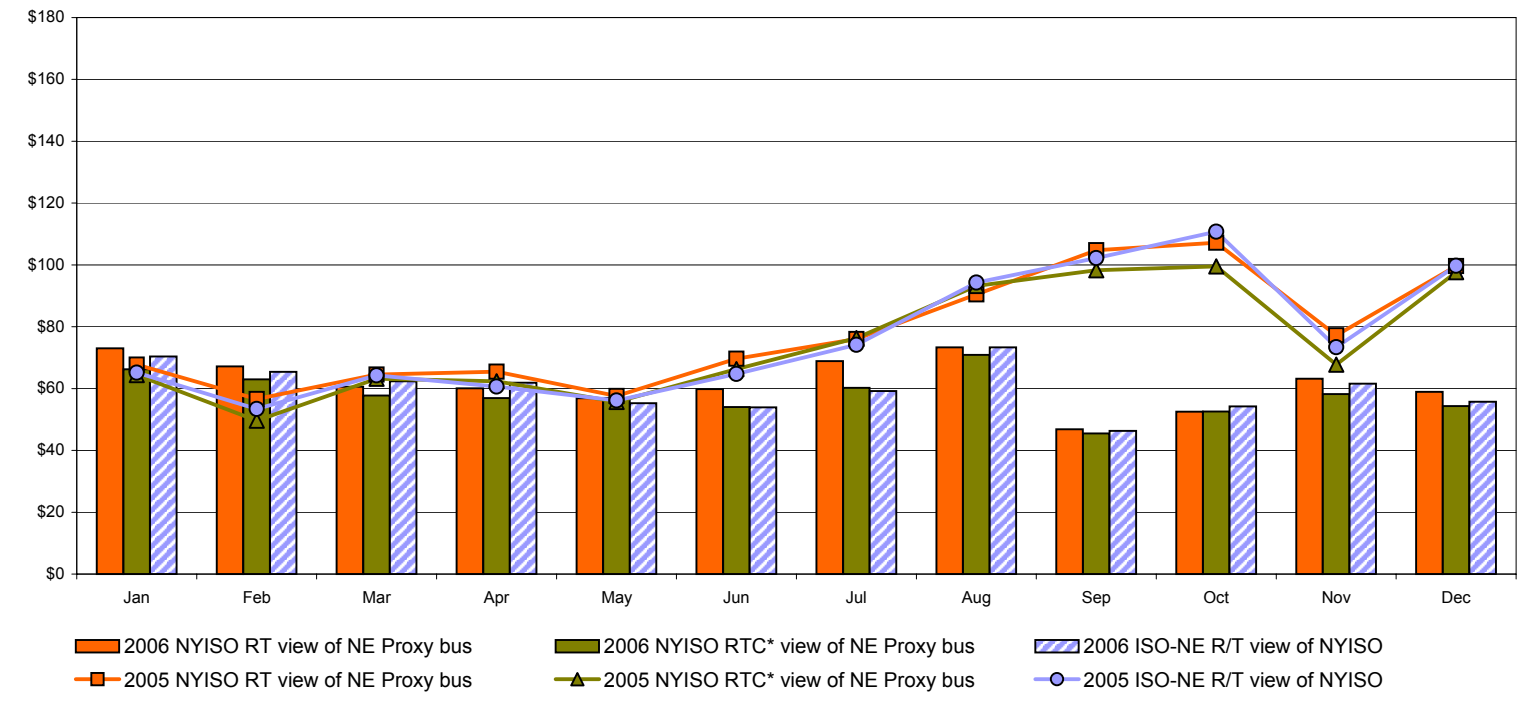


External Comparison ISO-New England

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



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



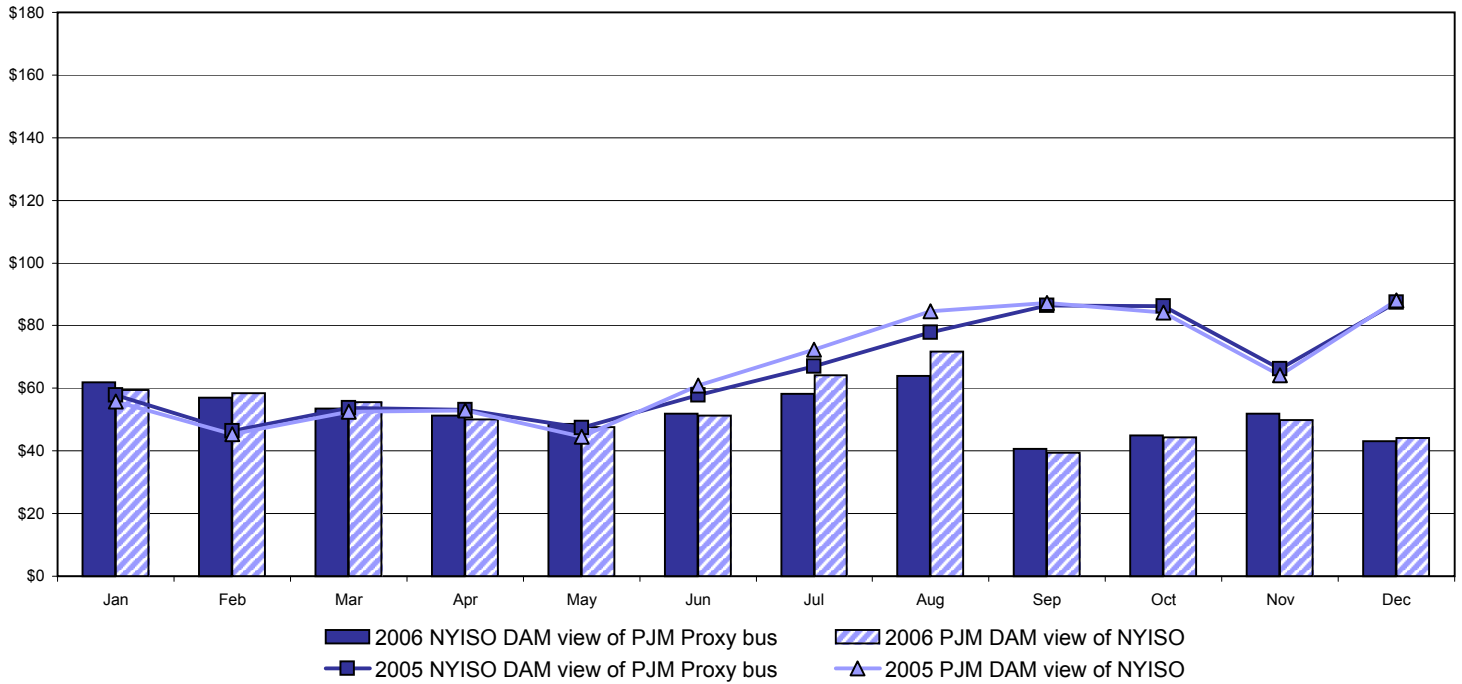
Note:

ISO-NE Forecast is an advisory posting @ 18:00 day before.
 The DAM and R/T prices at the Roseton interface are used for ISO-NE.
 The DAM and R/T prices at the SandyPond interface are used for NYISO.

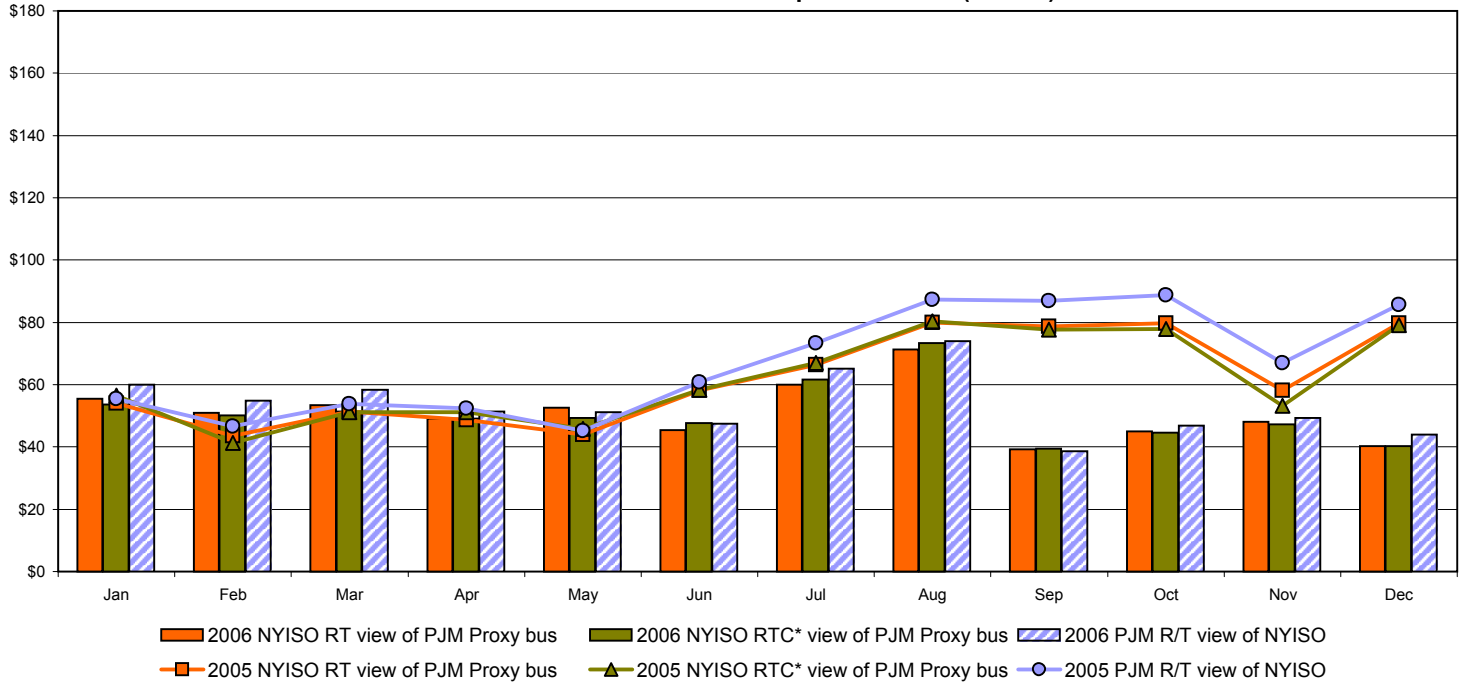
* Referred to as RTC beginning February 2005.
 Prior to February 2005 known as BME or Hour Ahead Market (HAM).

External Comparison PJM

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

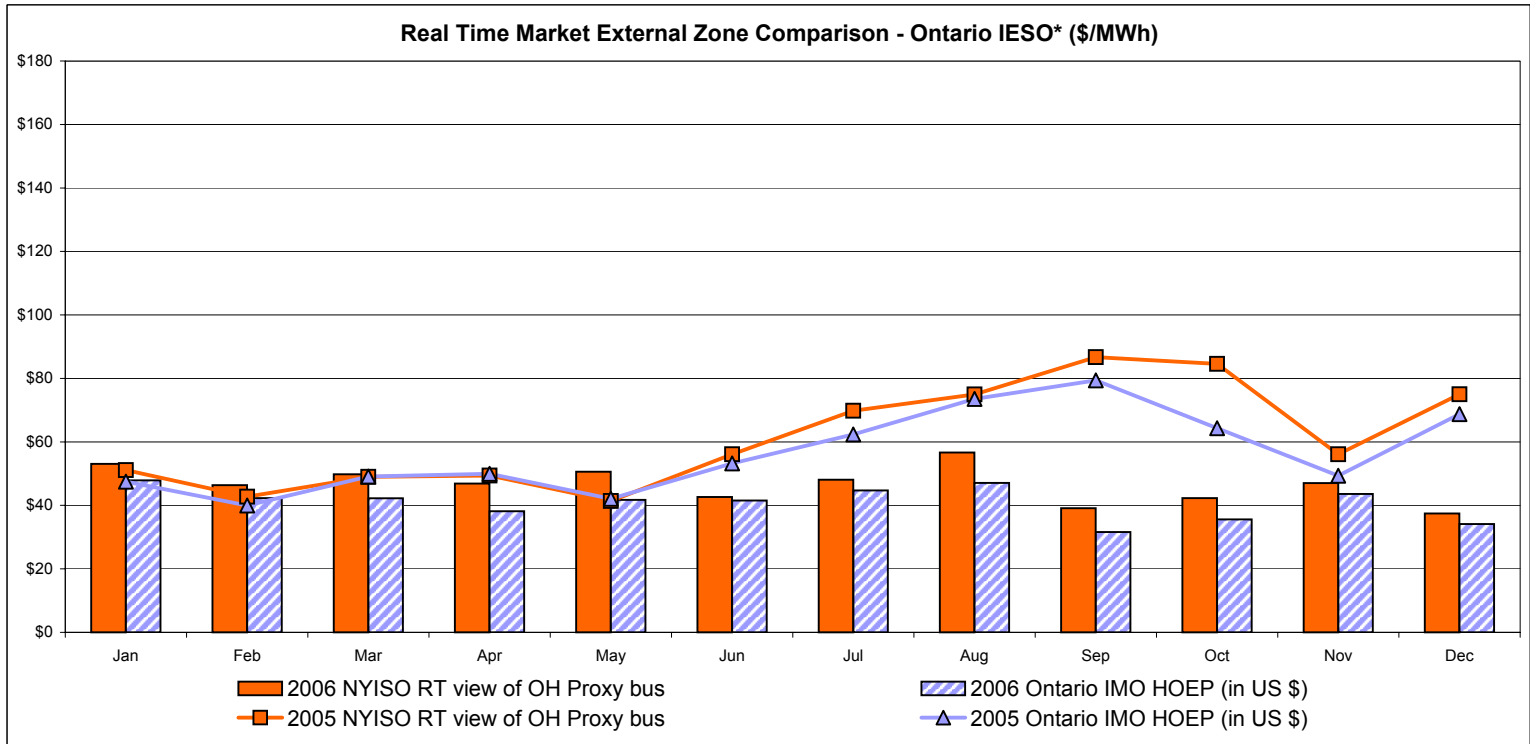
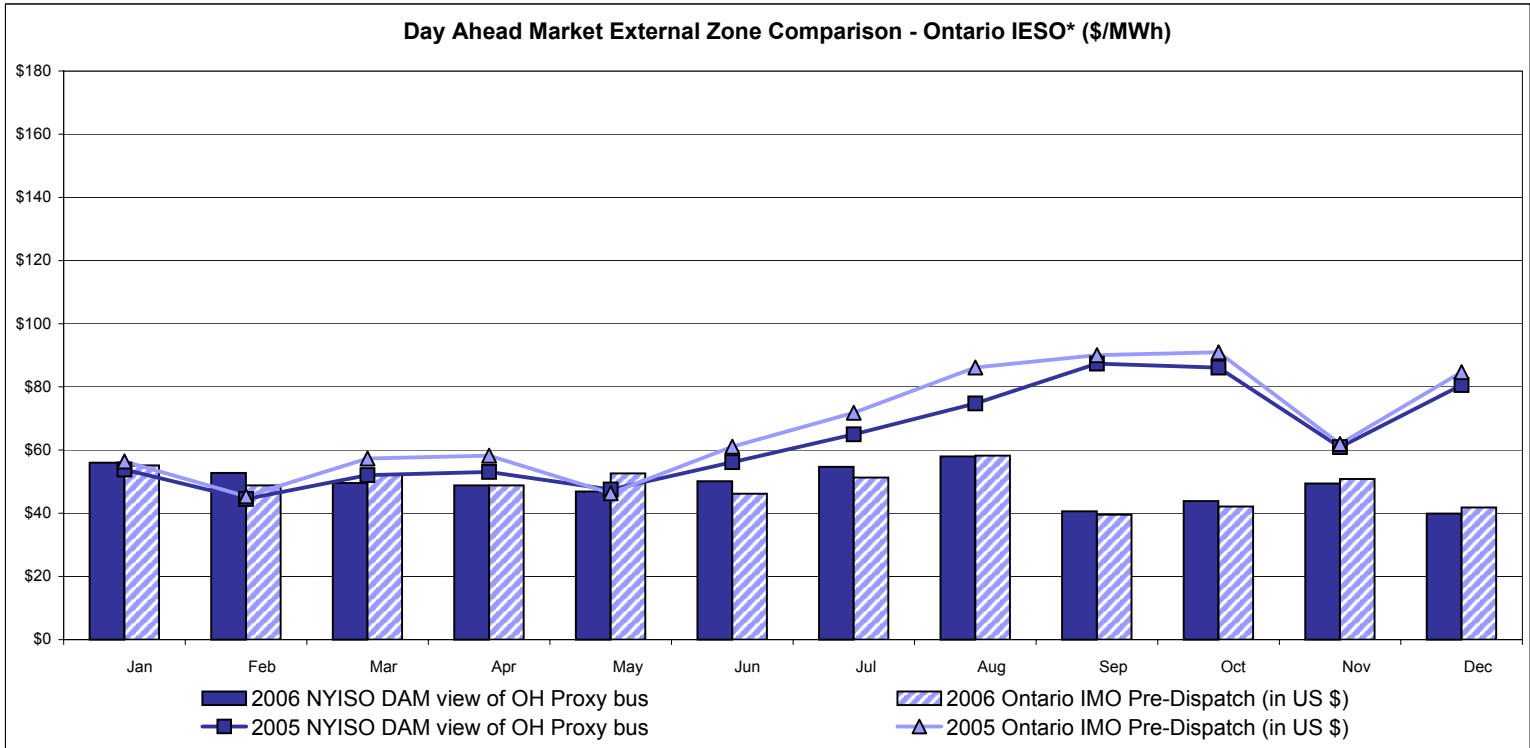


Real Time Market External Zone Comparison - PJM (\$/MWh)



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

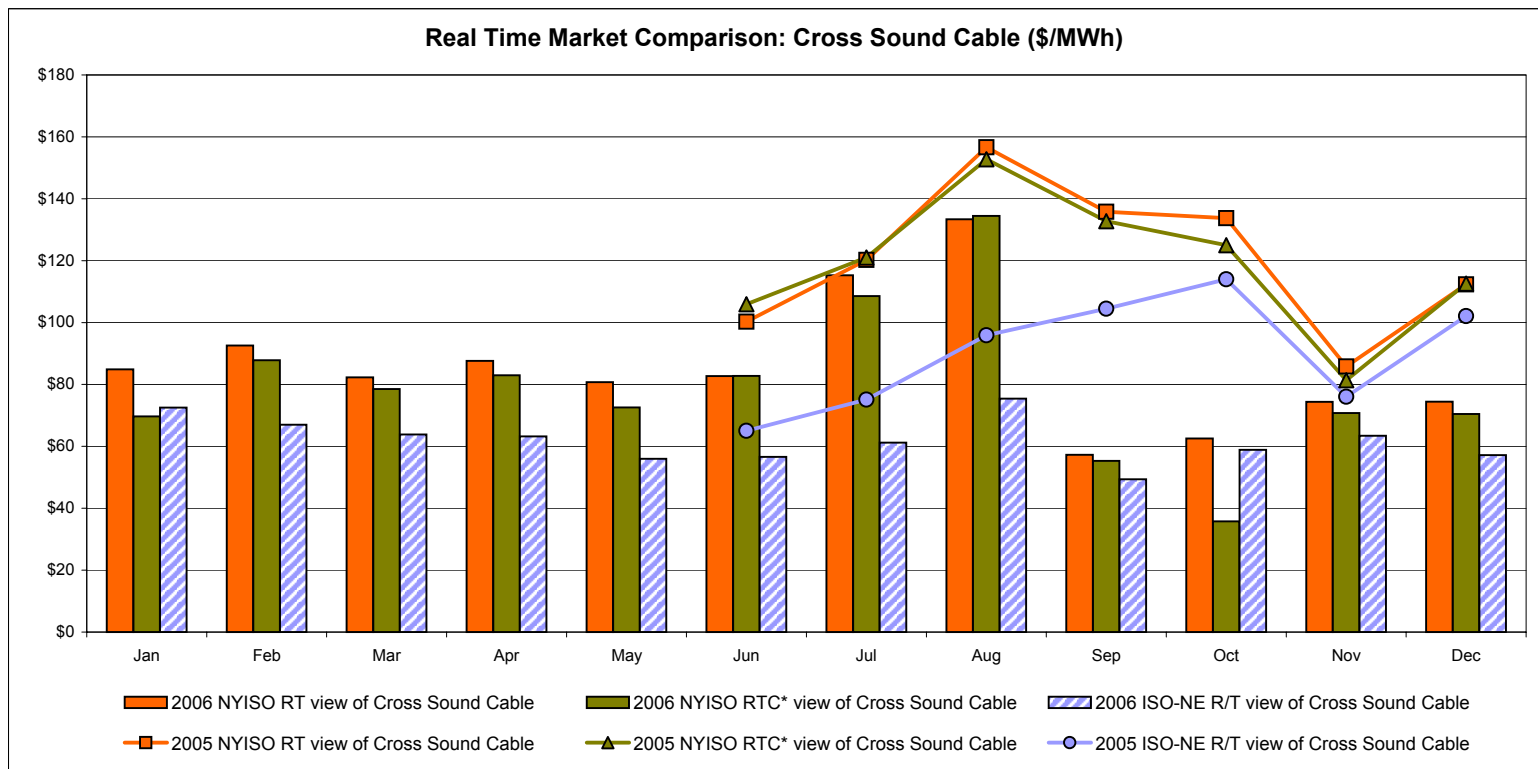
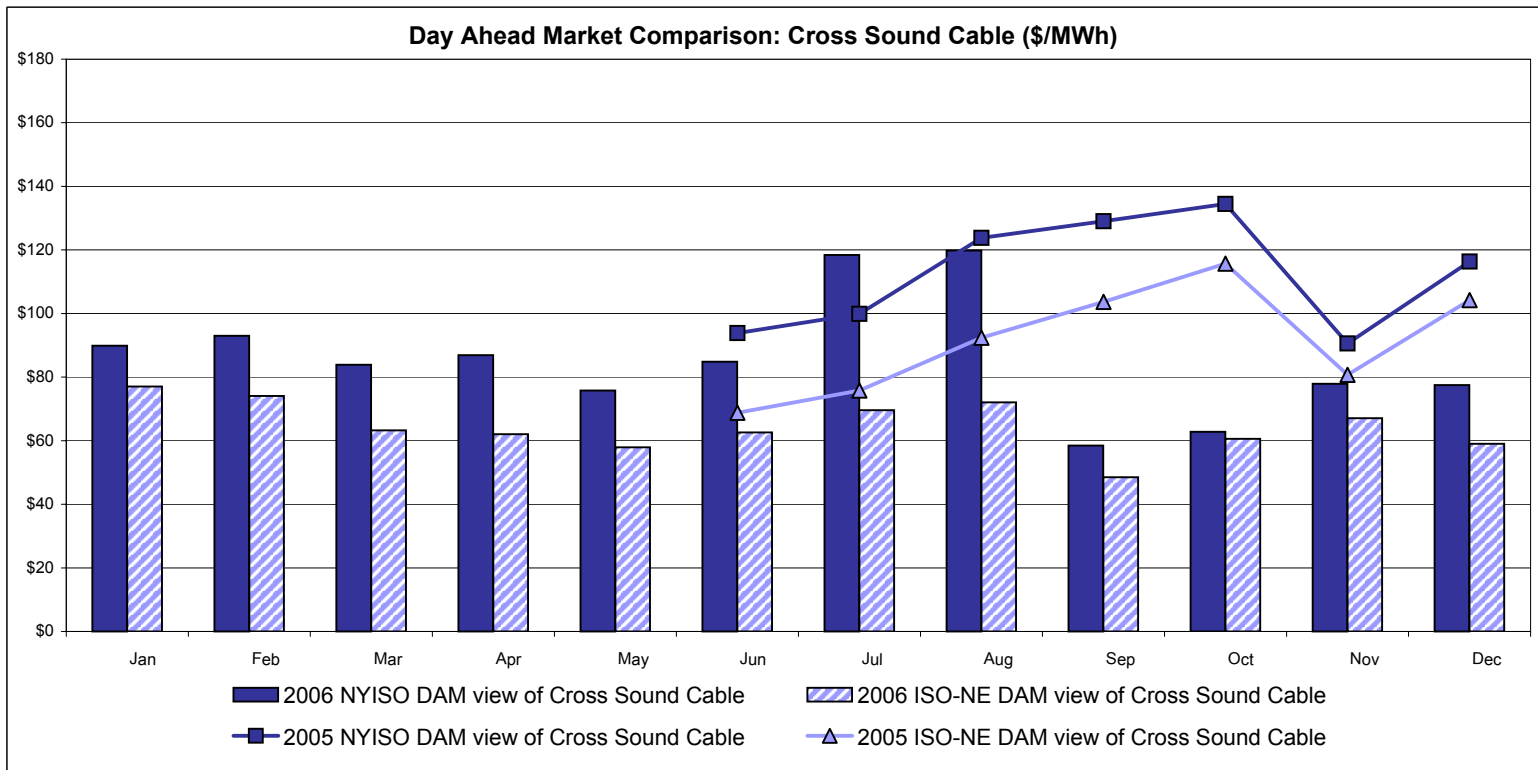
External Comparison Ontario IESO*



Notes: Exchange factor used for December 2006 was .87 to US \$
 HOEP: Hourly Ontario Energy Price
 Pre-Dispatch: Projected Energy Price

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

External Controllable Line: Cross Sound Cable (New England)



Note:

ISO-NE Forecast is an advisory posting @ 18:00 day before.
 The DAM and R/T prices at the Shorham138 99 interface are used for ISO-NE.
 The DAM and R/T prices at the CSC interface are used for NYISO.

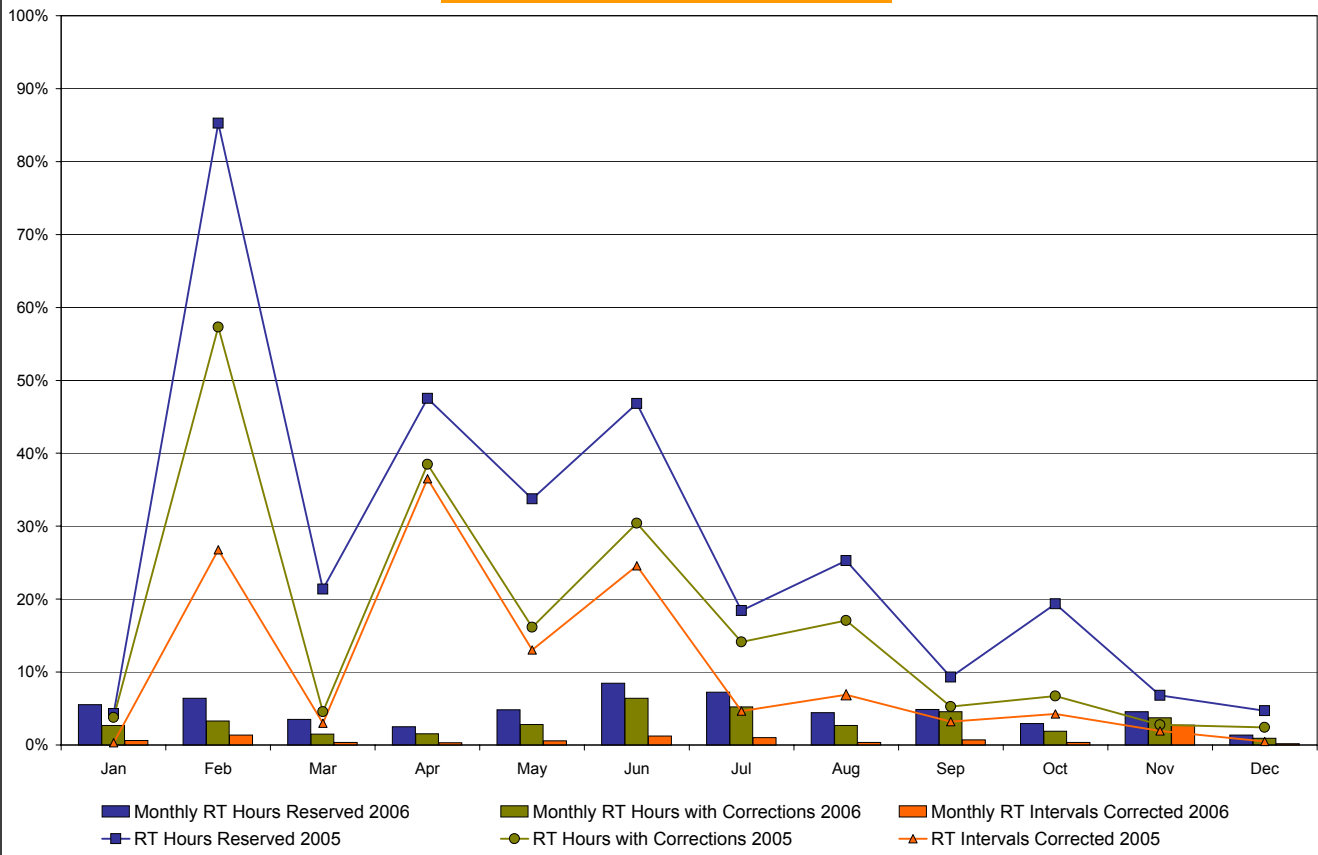
* Referred to as RTC beginning February 2005.
 Prior to February 2005 known as BME or Hour Ahead Market (HAM).

NYISO Real Time Price Correction Statistics

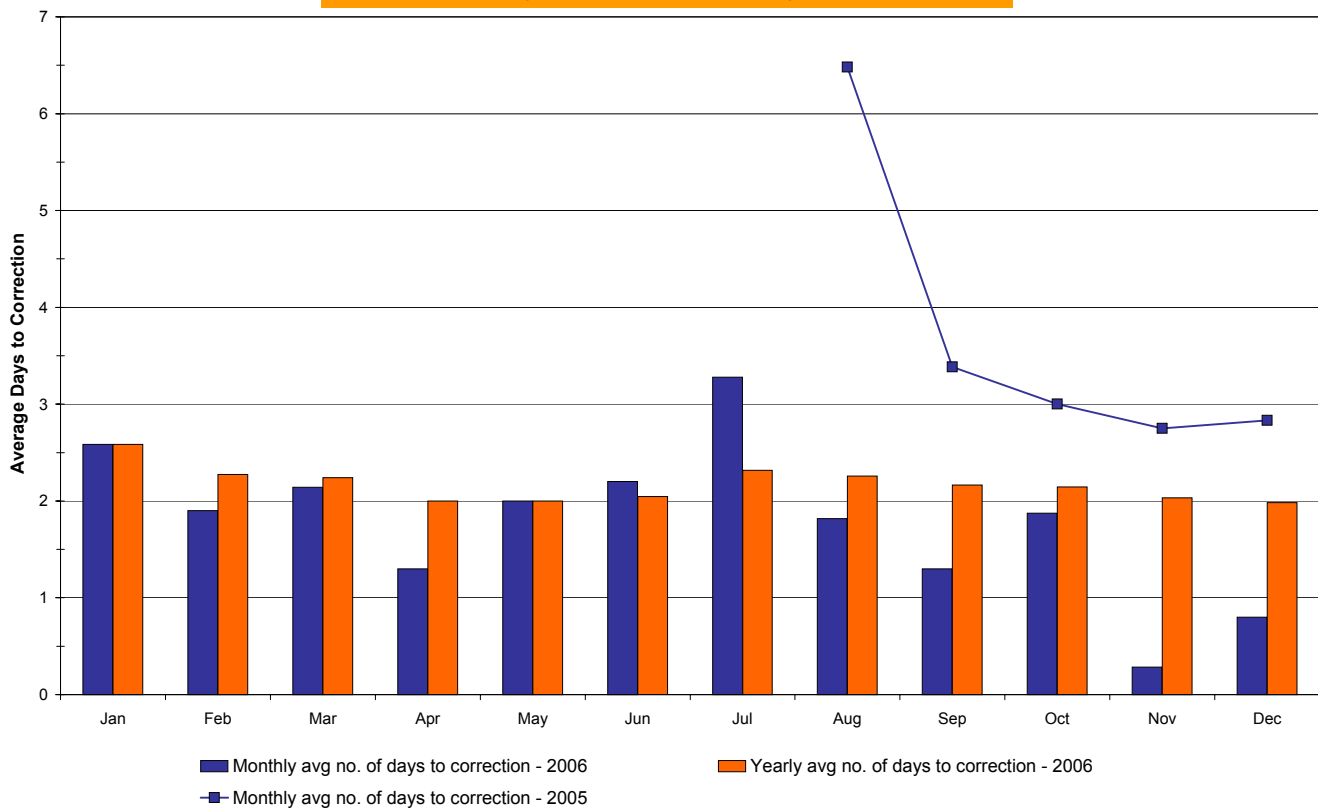
2006		<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
Hour Corrections													
Number of hours with corrections	in the month	20	22	11	11	21	46	39	20	33	14	27	7
Number of hours	in the month	744	672	744	720	744	720	744	744	720	744	720	744
% of hours with corrections	in the month	2.69%	3.27%	1.48%	1.53%	2.82%	6.39%	5.24%	2.69%	4.58%	1.88%	3.75%	0.94%
% of hours with corrections	year-to-date	2.69%	2.97%	2.45%	2.22%	2.35%	3.02%	3.34%	3.26%	3.40%	3.25%	3.29%	3.09%
Interval Corrections													
Number of intervals corrected	in the month	54	112	33	27	51	107	92	31	63	30	235	14
Number of intervals	in the month	9,004	8,129	9,035	8,779	9,037	8,742	9,083	9,088	8,776	9,021	8,700	8,916
% of intervals corrected	in the month	0.60%	1.38%	0.37%	0.31%	0.56%	1.22%	1.01%	0.34%	0.72%	0.33%	2.70%	0.16%
% of intervals corrected	year-to-date	0.60%	0.97%	0.76%	0.65%	0.63%	0.73%	0.77%	0.72%	0.72%	0.68%	0.86%	0.80%
Hours Reserved													
Number of hours reserved	in the month	41	43	26	18	36	61	54	33	35	22	33	10
Number of hours	in the month	744	672	744	720	744	720	744	744	720	744	720	744
% of hours reserved	in the month	5.51%	6.40%	3.49%	2.50%	4.84%	8.47%	7.26%	4.44%	4.86%	2.96%	4.58%	1.34%
% of hours reserved	year-to-date	5.51%	5.93%	5.09%	4.44%	4.53%	5.18%	5.48%	5.35%	5.30%	5.06%	5.01%	4.70%
Days to Correction *													
Avg. number of days to correction	in the month	2.58	1.90	2.14	1.30	2.00	2.20	3.28	1.82	1.30	1.88	0.29	0.80
Avg. number of days to correction	year-to-date	2.58	2.27	2.24	2.00	2.00	2.05	2.32	2.26	2.17	2.14	2.03	1.98
Days Without Corrections													
Days without corrections	in the month	19	18	24	20	21	15	13	20	20	23	23	26
Days without corrections	year-to-date	19	37	61	81	102	117	130	150	170	193	216	242
2005		<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
Hour Corrections													
Number of hours with corrections	in the month	28	385	34	277	120	219	105	127	38	50	20	18
Number of hours	in the month	744	672	744	720	744	720	744	744	720	744	720	744
% of hours with corrections	in the month	3.76%	57.29%	4.57%	38.47%	16.13%	30.42%	14.11%	17.07%	5.28%	6.72%	2.78%	2.42%
% of hours with corrections	year-to-date	3.76%	29.17%	20.69%	25.14%	23.29%	24.47%	22.96%	22.21%	20.34%	18.96%	17.50%	16.22%
Interval Corrections													
Number of intervals corrected	in the month	37	2,177	266	3,182	1,170	2,145	421	625	281	386	167	43
Number of intervals	in the month	11,811	8,131	8,961	8,711	8,972	8,729	9,024	9,065	8,741	9,029	8,721	9,115
% of intervals corrected	in the month	0.31%	26.77%	2.97%	36.53%	13.04%	24.57%	4.67%	6.89%	3.21%	4.28%	1.91%	0.47%
% of intervals corrected	year-to-date	0.31%	11.10%	8.58%	15.05%	14.67%	16.23%	14.61%	13.65%	12.54%	11.72%	10.87%	10.00%
Hours Reserved													
Number of hours reserved	in the month	32	573	159	342	251	337	137	188	67	144	49	35
Number of hours	in the month	744	672	744	720	744	720	744	744	720	744	720	744
% of hours reserved	in the month	4.30%	85.27%	21.37%	47.50%	33.74%	46.81%	18.41%	25.27%	9.31%	19.35%	6.81%	4.70%
% of hours reserved	year-to-date	4.30%	42.73%	35.37%	38.40%	37.44%	39.00%	35.99%	34.62%	31.84%	30.56%	28.43%	26.42%
Days to Correction *													
Avg. number of days to correction	in the month	-	-	-	-	-	-	-	6.48	3.38	3.00	2.75	2.83
Avg. number of days to correction	year-to-date	-	-	-	-	-	-	-	-	-	-	-	-
Days Without Corrections													
Days without corrections	in the month	12	4	16	3	4	4	6	6	17	17	22	19
Days without corrections	year-to-date	12	16	32	35	39	43	49	55	72	89	111	130

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

Percentage of Real-Time Corrections

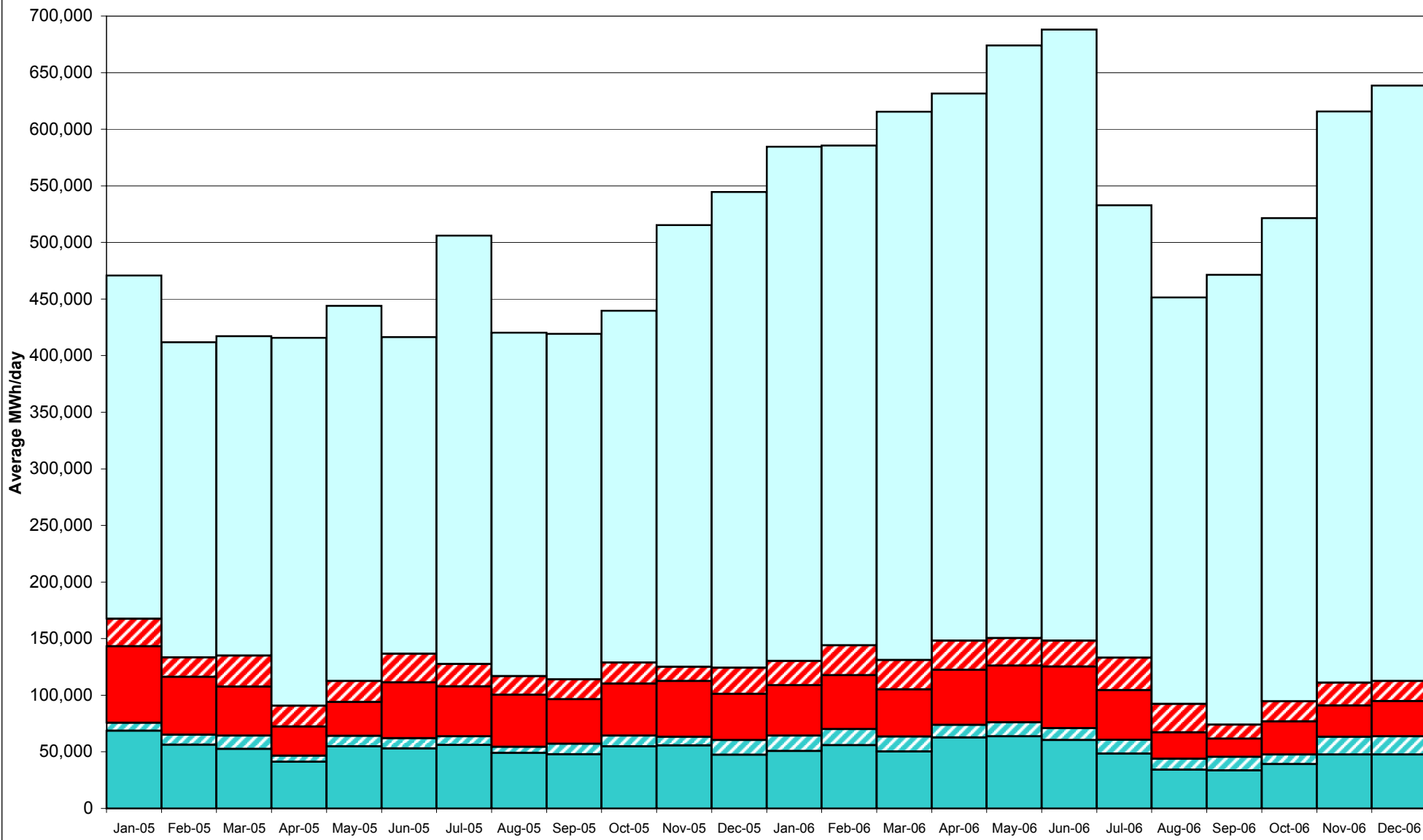


Annual average time period for making Price Corrections (from reservation date) *



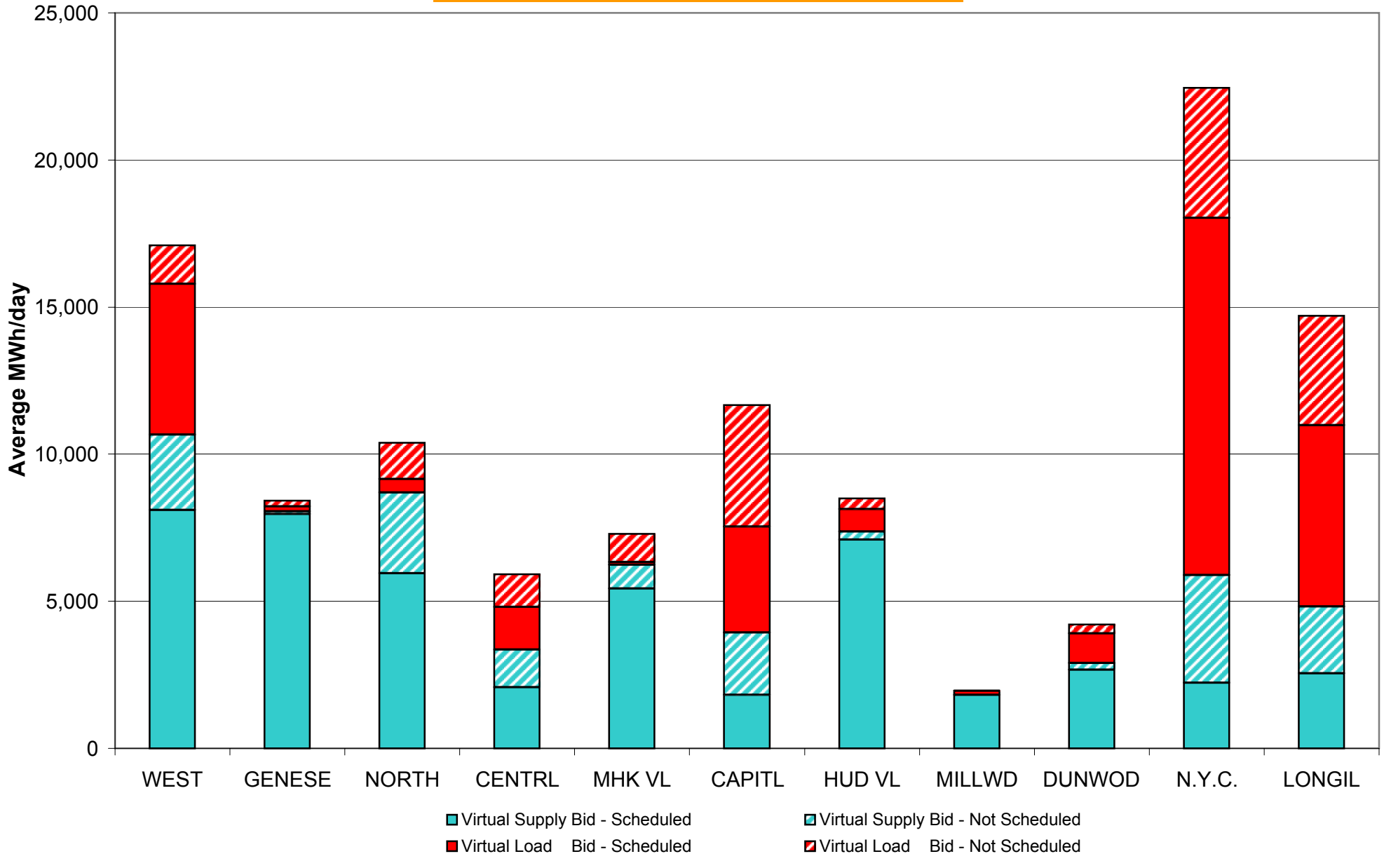
* Calendar days from reservation date. Data available from August 2005.

NYISO Virtual Trading Average MWh per day



Virtual Supply Bid - Scheduled
 Virtual Supply Bid - Not Scheduled
 Virtual Load Bid - Scheduled
 Virtual Load Bid - Not Scheduled
 MWh Authorized - Not Bid

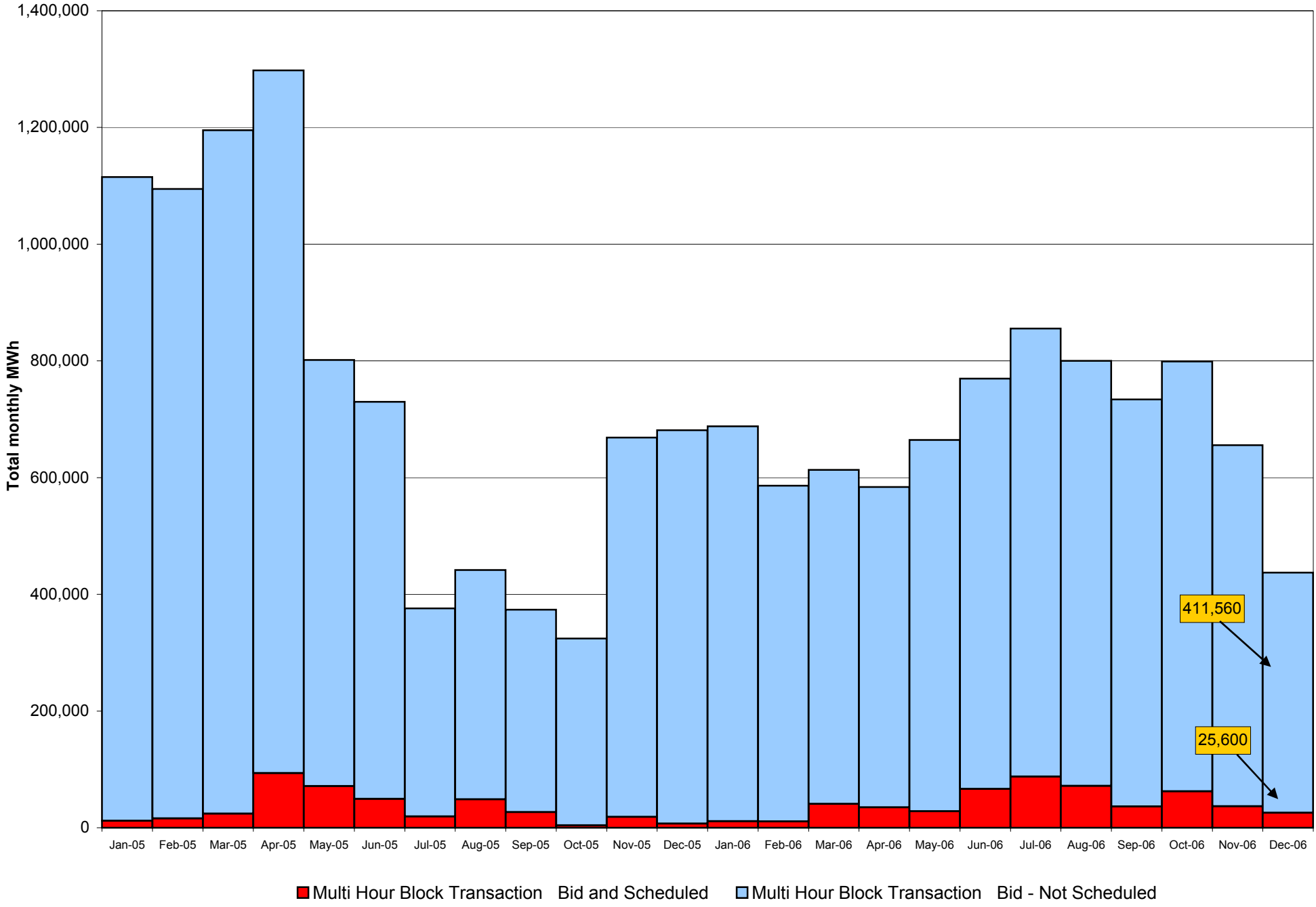
Virtual Load and Supply Zonal Statistics December 2006



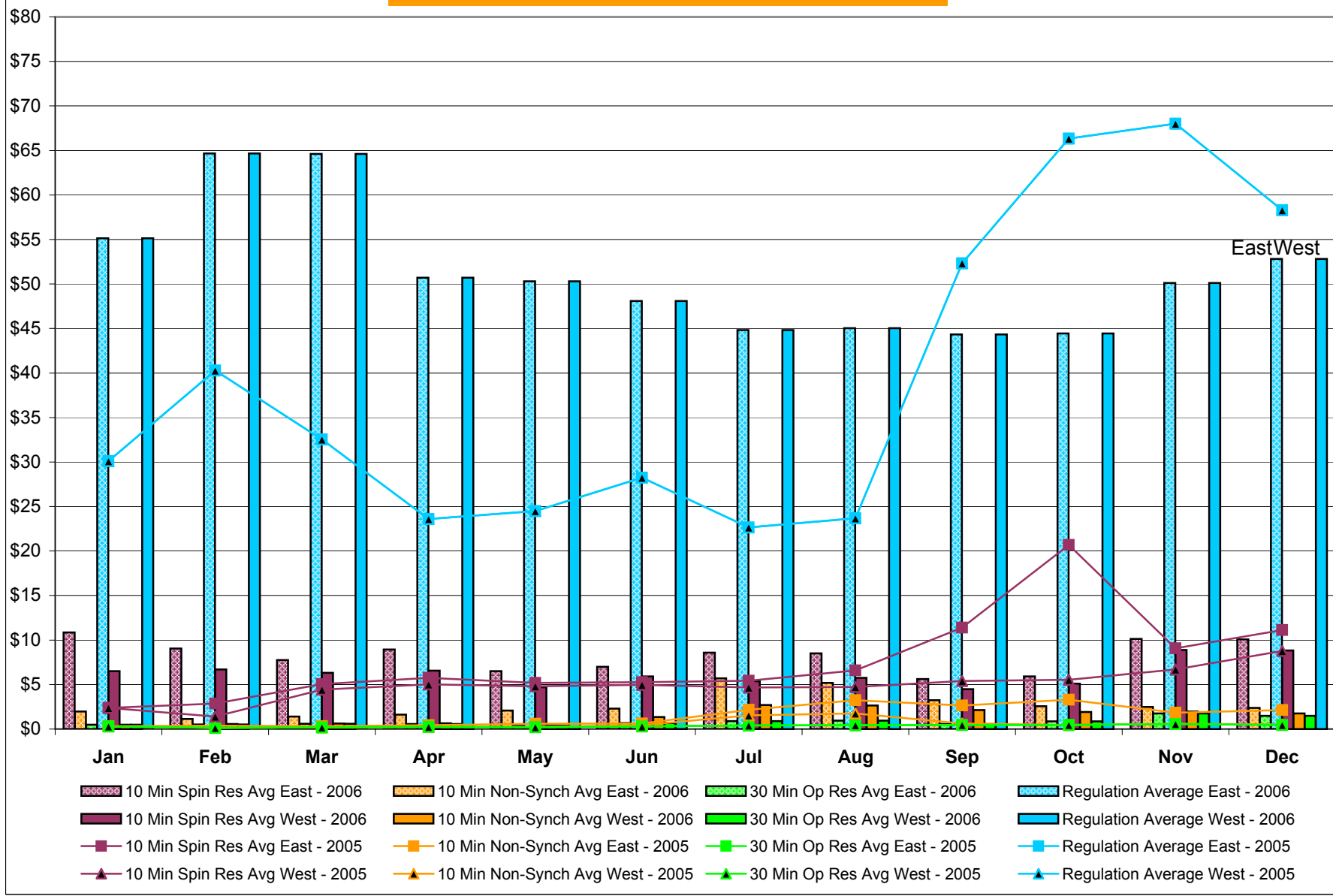
Virtual Load and Supply Zonal Statistics (Average MWh/day) - 2006

		Virtual Load Bid		Virtual Supply Bid				Virtual Load Bid		Virtual Supply Bid				Virtual Load Bid		Virtual Supply Bid	
Zone	Date	Scheduled	Not Scheduled	Scheduled	Not Scheduled	Zone	Date	Scheduled	Not Scheduled	Scheduled	Not Scheduled	Zone	Date	Scheduled	Not Scheduled	Scheduled	Not Scheduled
WEST	Jan-06	5,890	2,304	11,610	3,141	MHK VL	Jan-06	46	902	5,884	1,636	DUNWOD	Jan-06	745	644	3,267	26
	Feb-06	5,103	3,356	10,907	3,042		Feb-06	17	930	6,935	891		Feb-06	1,714	399	2,441	42
	Mar-06	3,237	1,807	13,710	2,979		Mar-06	42	932	4,940	937		Mar-06	1,097	47	2,163	27
	Apr-06	3,206	1,676	16,016	2,317		Apr-06	3	841	8,714	579		Apr-06	1,144	722	3,403	60
	May-06	3,602	1,641	13,210	1,806		May-06	40	1,021	8,610	759		May-06	1,056	546	3,949	670
	Jun-06	2,538	2,185	11,018	1,685		Jun-06	407	892	7,818	989		Jun-06	3,095	748	2,761	45
	Jul-06	1,496	1,960	8,348	1,405		Jul-06	226	932	6,813	1,039		Jul-06	2,819	1,314	1,137	538
	Aug-06	2,097	820	6,754	935		Aug-06	35	892	4,793	802		Aug-06	1,118	333	742	223
	Sep-06	2,478	1,491	4,679	1,637		Sep-06	25	891	3,675	1,507		Sep-06	705	730	1,453	218
	Oct-06	5,365	1,872	10,860	1,810		Oct-06	146	800	3,560	584		Oct-06	635	757	1,099	101
	Nov-06	6,456	3,075	13,820	5,125		Nov-06	177	915	3,903	545		Nov-06	331	402	2,074	60
	Dec-06	5,128	1,304	8,093	2,568		Dec-06	93	970	5,426	807		Dec-06	1,003	306	2,668	234
GENESE	Jan-06	1,831	708	6,806	73	CAPITL	Jan-06	3,624	1,646	1,192	48	N.Y.C.	Jan-06	19,500	4,668	1,330	3,334
	Feb-06	2,434	208	6,652	55		Feb-06	5,155	2,682	1,584	65		Feb-06	16,986	7,228	2,463	2,793
	Mar-06	1,856	838	6,734	53		Mar-06	2,850	3,171	643	59		Mar-06	12,401	7,131	4,092	2,202
	Apr-06	3,478	92	6,693	205		Apr-06	2,915	3,767	1,584	847		Apr-06	19,173	6,820	1,189	1,699
	May-06	4,049	18	8,510	24		May-06	3,690	3,159	877	2,082		May-06	19,528	6,539	402	1,064
	Jun-06	3,158	44	6,400	118		Jun-06	2,750	2,967	2,076	1,950		Jun-06	20,192	5,844	437	598
	Jul-06	2,441	155	5,610	163		Jul-06	1,883	3,011	2,044	1,583		Jul-06	20,370	9,037	729	1,946
	Aug-06	2,371	75	5,058	69		Aug-06	1,076	2,869	2,078	1,432		Aug-06	9,289	9,252	972	1,463
	Sep-06	1,865	189	7,470	167		Sep-06	563	2,914	1,832	1,955		Sep-06	4,400	1,687	1,599	818
	Oct-06	1,240	612	3,650	187		Oct-06	2,186	3,260	2,544	1,755		Oct-06	8,378	3,412	1,940	201
	Nov-06	1,166	602	7,467	205		Nov-06	2,712	3,217	2,195	2,716		Nov-06	7,590	4,889	3,204	1,682
	Dec-06	163	195	7,955	101		Dec-06	3,596	4,145	1,809	2,124		Dec-06	12,150	4,415	2,229	3,652
NORTH	Jan-06	262	22	5,961	1,658	HUD VL	Jan-06	2,086	2,026	8,595	1,717	LONGIL	Jan-06	8,207	6,064	1,091	1,891
	Feb-06	139	101	6,749	2,570		Feb-06	3,722	1,834	8,989	1,964		Feb-06	9,345	8,197	1,088	2,511
	Mar-06	264	21	7,069	2,838		Mar-06	8,898	1,851	5,128	1,716		Mar-06	8,449	10,059	991	2,357
	Apr-06	96	695	8,243	1,926		Apr-06	9,888	1,640	10,242	1,034		Apr-06	7,291	8,424	930	1,750
	May-06	9	921	7,895	1,596		May-06	8,934	1,330	12,005	1,311		May-06	8,188	7,792	1,125	1,939
	Jun-06	204	910	9,925	1,660		Jun-06	7,728	964	10,828	872		Jun-06	11,324	7,000	1,573	1,663
	Jul-06	14	896	8,332	1,340		Jul-06	1,881	1,058	8,272	1,389		Jul-06	8,917	8,823	1,657	1,693
	Aug-06	8	888	5,238	1,971		Aug-06	632	871	4,617	572		Aug-06	6,003	7,838	887	1,407
	Sep-06	169	889	3,403	1,744		Sep-06	420	430	3,938	709		Sep-06	5,219	2,062	972	2,107
	Oct-06	711	951	3,432	1,109		Oct-06	2,263	561	6,599	398		Oct-06	3,852	3,616	2,078	1,471
	Nov-06	444	1,058	3,515	2,470		Nov-06	1,565	127	4,323	43		Nov-06	4,066	4,731	2,890	1,995
	Dec-06	452	1,231	5,949	2,750		Dec-06	774	362	7,093	270		Dec-06	6,157	3,723	2,543	2,283
CENTRL	Jan-06	713	28	3,870	103	MILLWD	Jan-06	1,531	2,596	1,065	11	NYISO	Jan-06	44,436	21,609	50,671	13,639
	Feb-06	395	27	7,081	165		Feb-06	2,540	1,560	1,067	24		Feb-06	47,550	26,523	55,956	14,122
	Mar-06	581	28	4,683	31		Mar-06	1,799	135	189	7		Mar-06	41,475	26,020	50,342	13,205
	Apr-06	673	882	4,838	522		Apr-06	943	97	904	28		Apr-06	48,811	25,655	62,755	10,967
	May-06	674	1,101	4,694	945		May-06	453	210	2,346	169		May-06	50,222	24,279	63,624	12,364
	Jun-06	578	1,098	6,115	900		Jun-06	2,543	95	1,352	118		Jun-06	54,518	22,746	60,303	10,597
	Jul-06	1,032	1,377	4,672	687		Jul-06	2,935	61	804	335		Jul-06	44,013	28,624	48,419	12,117
	Aug-06	189	1,083	2,770	638		Aug-06	607	91	393	22		Aug-06	23,425	25,012	34,301	9,533
	Sep-06	94	1,206	3,815	1,103		Sep-06	102	3	677	67		Sep-06	16,039	12,492	33,512	12,032
	Oct-06	4,274	1,755	2,358	881		Oct-06	285	16	967	16		Oct-06	29,333	17,612	39,088	8,512
	Nov-06	2,825	1,245	2,898	801		Nov-06	260	47	1,302	16		Nov-06	27,593	20,310	47,590	15,658
	Dec-06	1,443	1,114	2,073	1,290		Dec-06	138	21	1,809	1		Dec-06	31,096	17,787	47,647	16,078

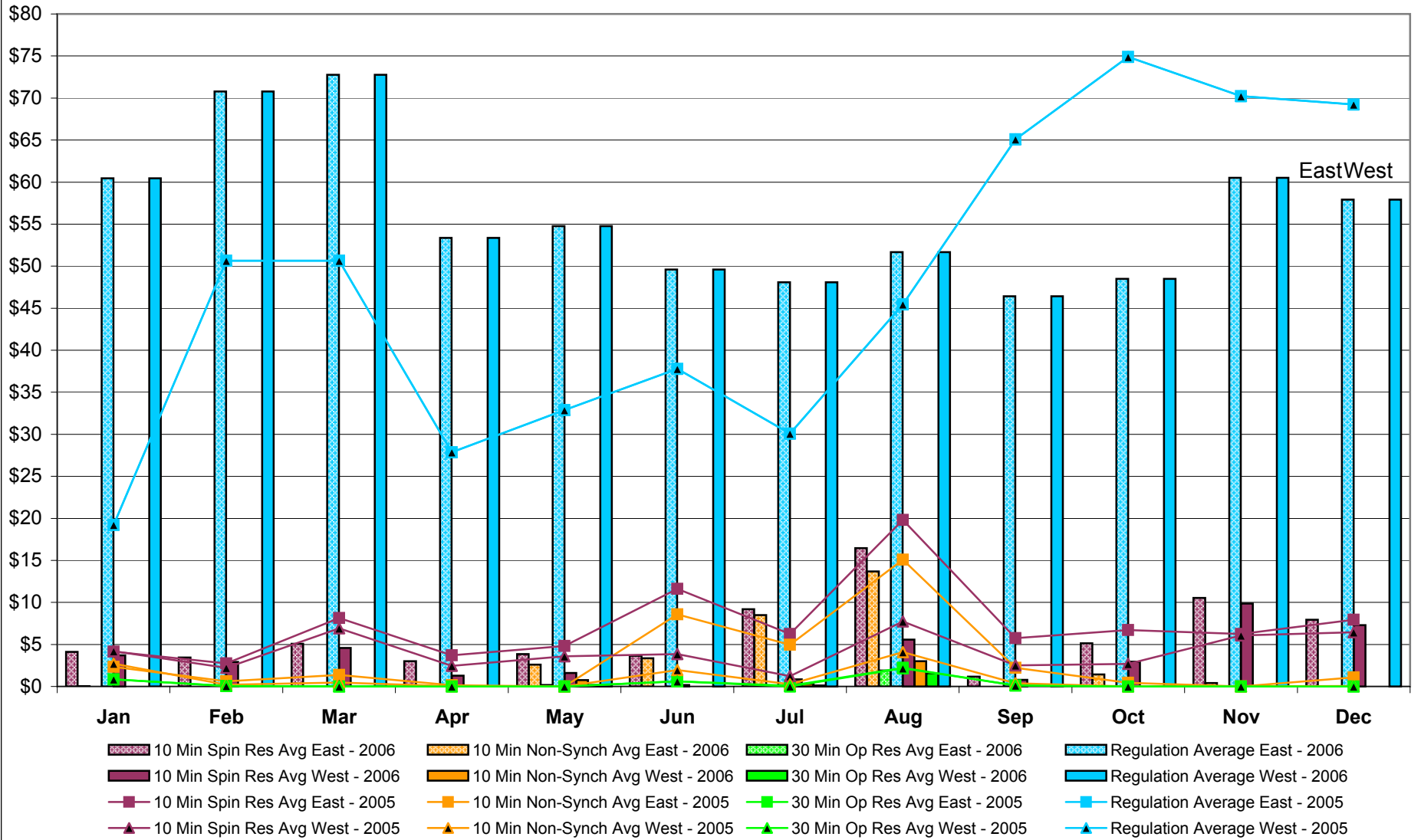
NYISO Multi Hour Block Transactions Monthly Total MWh



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

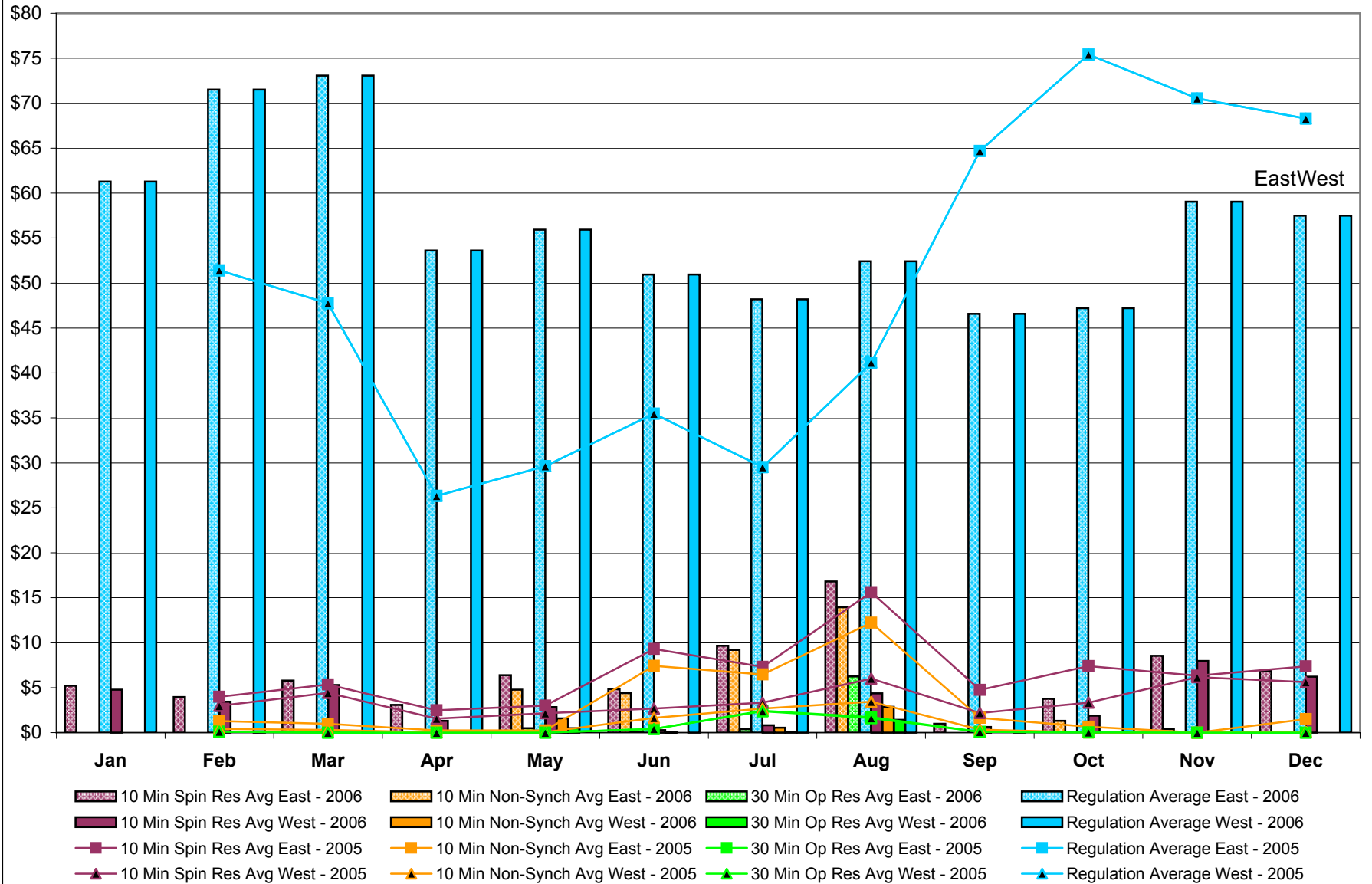


NYISO Monthly Average Ancillary Service Prices RTC* Market 2005 - 2006



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

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



* The Real Time Ancillary Market began in February 2005

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

2006	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
Day Ahead Market												
10 Min Spin East	10.86	9.06	7.76	8.94	6.52	6.98	8.60	8.50	5.62	5.90	10.14	10.07
10 Min Spin West	6.50	6.70	6.32	6.56	4.71	5.92	5.37	5.76	4.49	5.11	8.89	8.82
10 Min Non Synch East	1.97	1.15	1.39	1.63	2.07	2.31	5.71	5.19	3.25	2.55	2.48	2.38
10 Min Non Synch West	0.50	0.56	0.62	0.66	0.40	1.34	2.69	2.64	2.13	1.90	1.97	1.76
30 Min East	0.48	0.52	0.59	0.58	0.38	0.66	0.89	0.95	0.56	0.87	1.74	1.49
30 Min West	0.48	0.52	0.59	0.58	0.38	0.66	0.89	0.95	0.56	0.87	1.74	1.49
Regulation East	55.13	64.65	64.62	50.71	50.30	48.10	44.83	45.04	44.34	44.43	50.11	52.81
Regulation West	55.13	64.65	64.62	50.71	50.30	48.10	44.83	45.04	44.34	44.43	50.11	52.81
RTC* Market												
10 Min Spin East	4.10	3.44	5.07	3.00	3.86	3.65	9.19	16.44	1.17	5.12	10.52	7.93
10 Min Spin West	3.71	2.93	4.59	1.28	1.60	0.18	0.85	5.56	0.79	2.96	9.87	7.30
10 Min Non Synch East	0.02	0.01	0.00	0.01	2.60	3.36	8.48	13.68	0.00	1.43	0.40	0.01
10 Min Non Synch West	0.00	0.00	0.00	0.00	0.77	0.00	0.32	3.01	0.00	0.01	0.00	0.00
30 Min East	0.00	0.00	0.00	0.00	0.19	0.00	0.11	1.90	0.00	0.00	0.00	0.00
30 Min West	0.00	0.00	0.00	0.00	0.19	0.00	0.11	1.57	0.00	0.00	0.00	0.00
Regulation East	60.46	70.79	72.76	53.37	54.76	49.60	48.08	51.68	46.42	48.49	60.52	57.91
Regulation West	60.46	70.79	72.76	53.37	54.76	49.60	48.08	51.68	46.42	48.49	60.52	57.91
Real Time Market**												
10 Min Spin East	5.20	3.96	5.78	3.07	6.38	4.84	9.66	16.81	0.98	3.76	8.55	6.86
10 Min Spin West	4.78	3.43	5.30	1.32	2.82	0.28	0.81	4.37	0.63	1.89	7.98	6.21
10 Min Non Synch East	0.01	0.00	0.00	0.01	4.79	4.40	9.20	13.94	0.00	1.30	0.39	0.02
10 Min Non Synch West	0.00	0.00	0.00	0.00	1.58	0.02	0.54	2.86	0.00	0.01	0.00	0.00
30 Min East	0.00	0.00	0.00	0.00	0.49	0.02	0.37	6.24	0.00	0.00	0.00	0.00
30 Min West	0.00	0.00	0.00	0.00	0.49	0.01	0.12	1.41	0.00	0.00	0.00	0.00
Regulation East	61.28	71.52	73.06	53.62	55.93	50.95	48.17	52.42	46.56	47.21	59.03	57.50
Regulation West	61.28	71.52	73.06	53.62	55.93	50.95	48.17	52.42	46.56	47.21	59.03	57.50
2005	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
Day Ahead Market												
10 Min Spin East	2.38	2.87	5.06	5.76	5.19	5.26	5.44	6.59	11.38	20.70	9.08	11.12
10 Min Spin West	2.37	1.39	4.43	5.03	4.80	4.96	4.68	4.73	5.41	5.54	6.68	8.77
10 Min Non Synch East	0.31	0.37	0.31	0.44	0.60	0.61	2.16	3.25	2.65	3.31	1.82	2.14
10 Min Non Synch West	0.31	0.13	0.20	0.24	0.23	0.43	1.54	1.75	0.63	0.47	0.59	0.52
30 Min East	0.31	0.13	0.19	0.24	0.22	0.29	0.41	0.44	0.47	0.46	0.57	0.47
30 Min West	0.31	0.13	0.19	0.24	0.22	0.29	0.41	0.44	0.47	0.46	0.57	0.47
Regulation East	30.10	40.28	32.53	23.61	24.49	28.23	22.66	23.67	52.33	66.33	68.02	58.28
Regulation West	30.10	40.28	32.53	23.61	24.49	28.23	22.66	23.67	52.33	66.33	68.02	58.28
RTC* Market												
10 Min Spin East	4.15	2.75	8.13	3.71	4.80	11.61	6.23	19.80	5.75	6.72	6.25	7.94
10 Min Spin West	4.20	2.23	6.90	2.46	3.58	3.84	1.24	7.72	2.50	2.69	6.06	6.45
10 Min Non Synch East	2.35	0.62	1.38	0.14	0.00	8.58	4.96	15.08	2.22	0.44	0.01	1.07
10 Min Non Synch West	2.72	0.21	0.47	0.03	0.00	1.96	0.25	4.09	0.37	0.00	0.00	0.06
30 Min East	0.83	0.05	0.00	0.00	0.00	0.62	0.08	2.22	0.12	0.00	0.00	0.00
30 Min West	0.83	0.05	0.00	0.00	0.00	0.61	0.00	2.15	0.12	0.00	0.00	0.00
Regulation East	19.23	50.66	50.65	27.85	32.87	37.80	30.07	45.47	65.10	74.90	70.23	69.23
Regulation West	19.23	50.66	50.65	27.85	32.87	37.80	30.07	45.47	65.10	74.90	70.23	69.23
Real Time Market**												
10 Min Spin East	-	3.99	5.34	2.47	3.00	9.30	7.30	15.60	4.75	7.40	6.32	7.36
10 Min Spin West	-	2.97	4.42	1.56	2.16	2.69	3.33	5.99	2.19	3.34	6.16	5.62
10 Min Non Synch East	-	1.27	0.98	0.25	0.24	7.43	6.46	12.22	1.63	0.65	0.00	1.49
10 Min Non Synch West	-	0.41	0.29	0.02	0.07	1.63	2.68	3.44	0.33	0.01	0.00	0.12
30 Min East	-	0.12	0.00	0.00	0.00	0.40	2.43	1.71	0.09	0.01	0.00	0.00
30 Min West	-	0.11	0.00	0.00	0.00	0.40	2.36	1.61	0.09	0.01	0.00	0.00
Regulation East	-	51.41	47.74	26.33	29.62	35.47	29.52	41.14	64.70	75.41	70.52	68.30
Regulation West	-	51.41	47.74	26.33	29.62	35.47	29.52	41.13	64.70	75.41	70.52	68.30

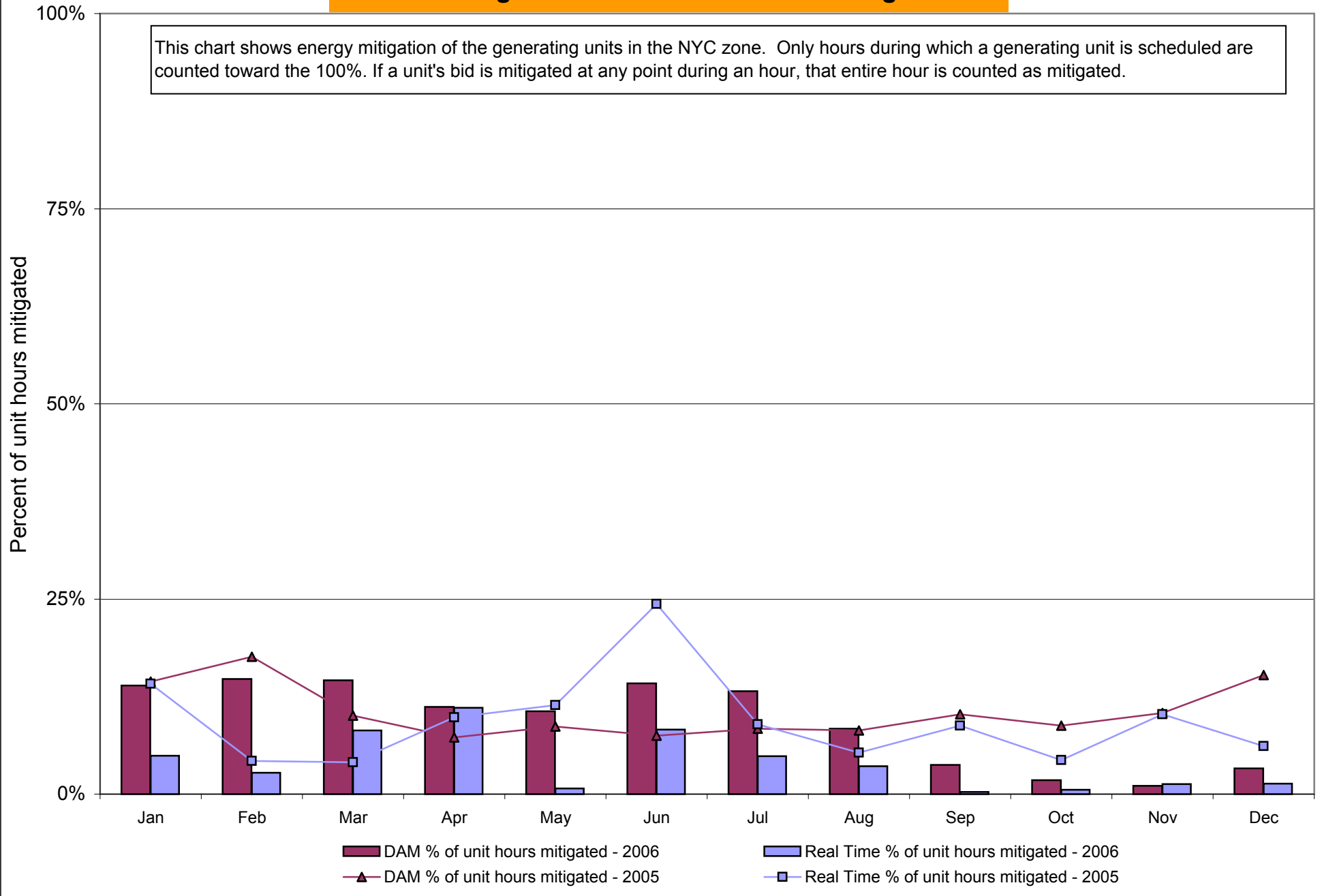
* Referred to as RTC beginning February 2005. Prior to February 2005 known as BME or Hour Ahead Market (HAM).

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

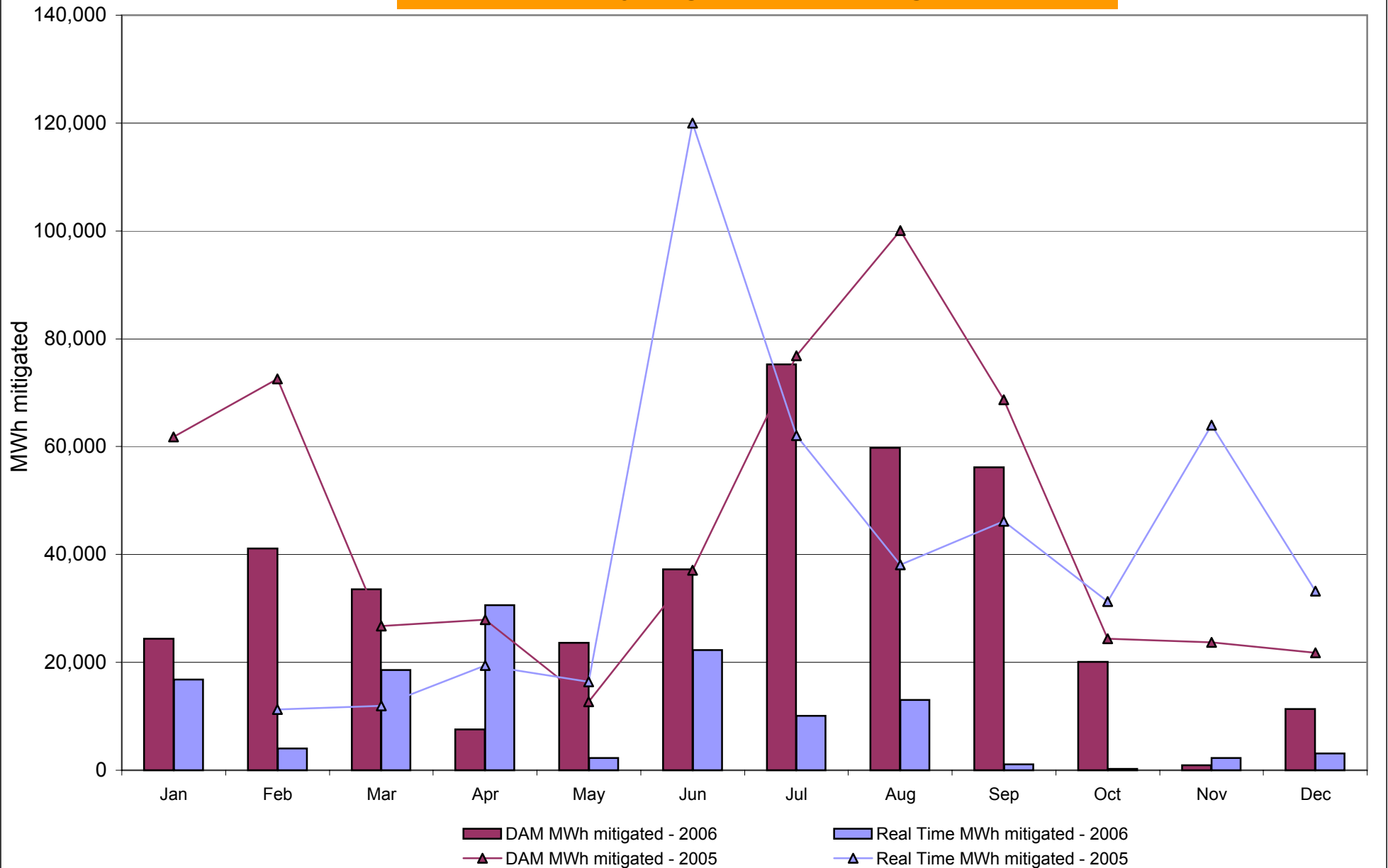
NYISO In City Energy Mitigation (NYC Zone) 2005-2006

Percentage of committed unit-hours mitigated

This chart shows energy mitigation of the generating units in the NYC zone. Only hours during which a generating unit is scheduled are counted toward the 100%. If a unit's bid is mitigated at any point during an hour, that entire hour is counted as mitigated.

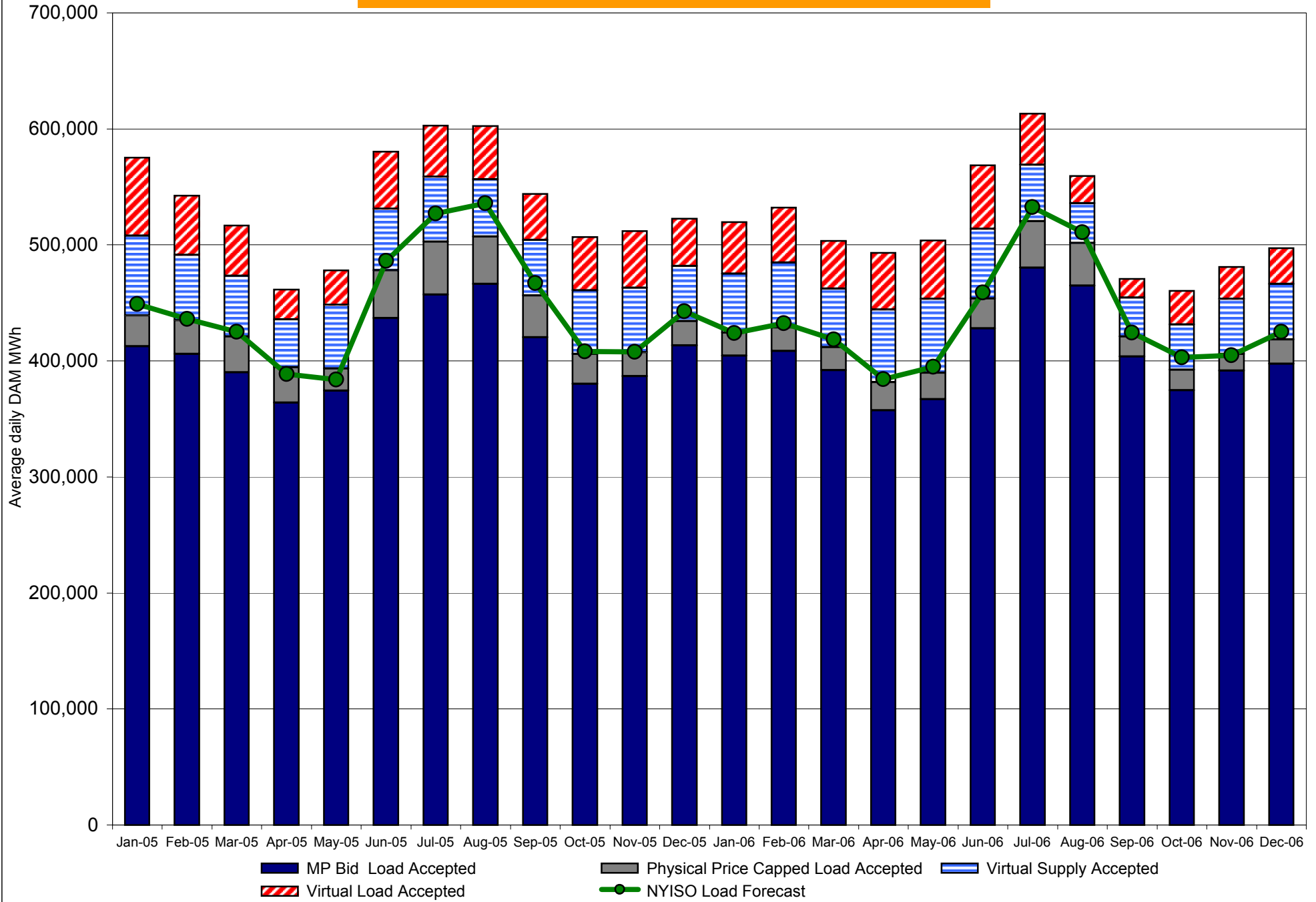


NYISO In City Energy Mitigation (NYC Zone) 2005-2006 Monthly megawatt hours mitigated

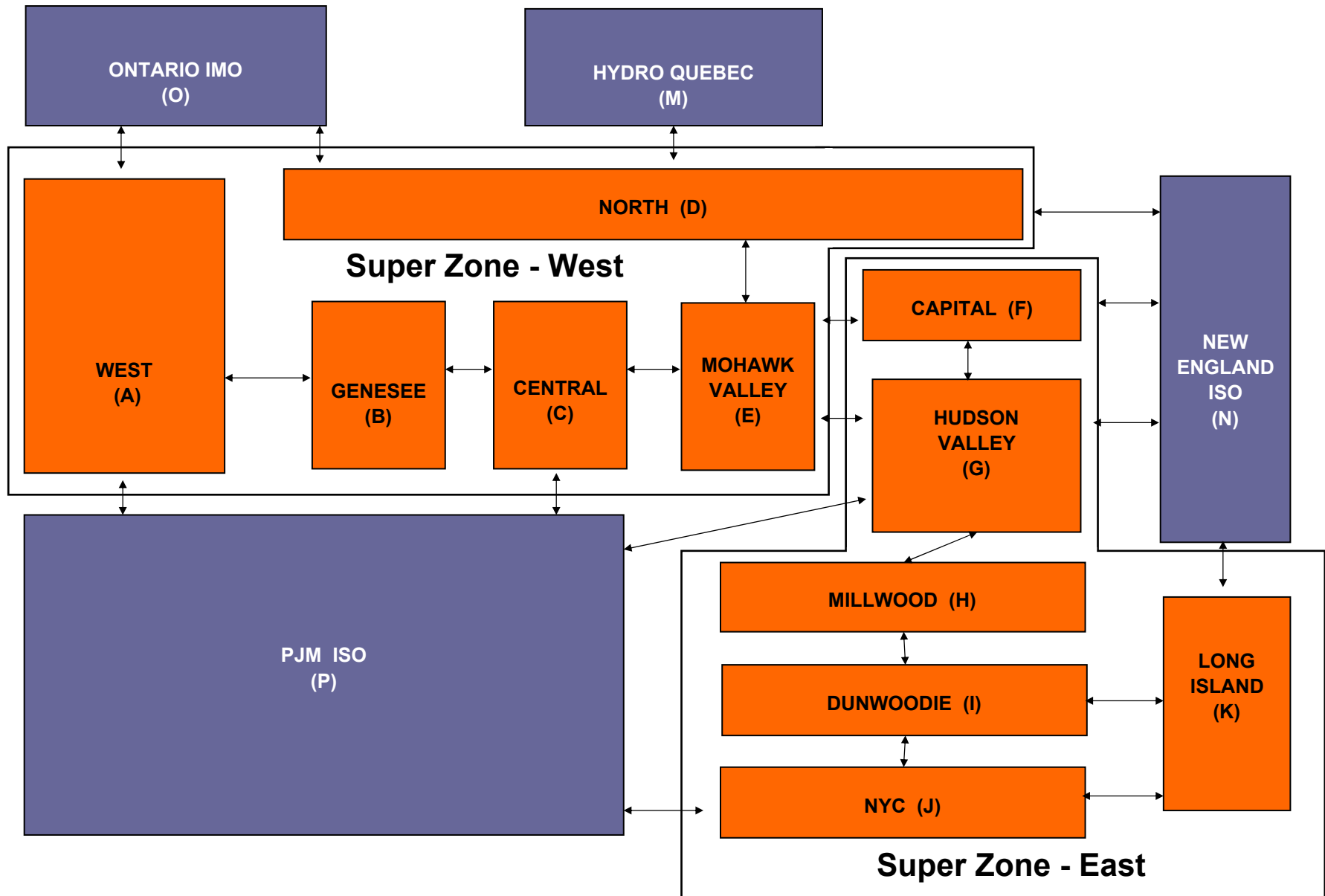


RT mitigation data available with SMD2 deployment in February 2005.

NYISO Average Daily DAM Load Bid Summary



NYISO LBMP ZONES

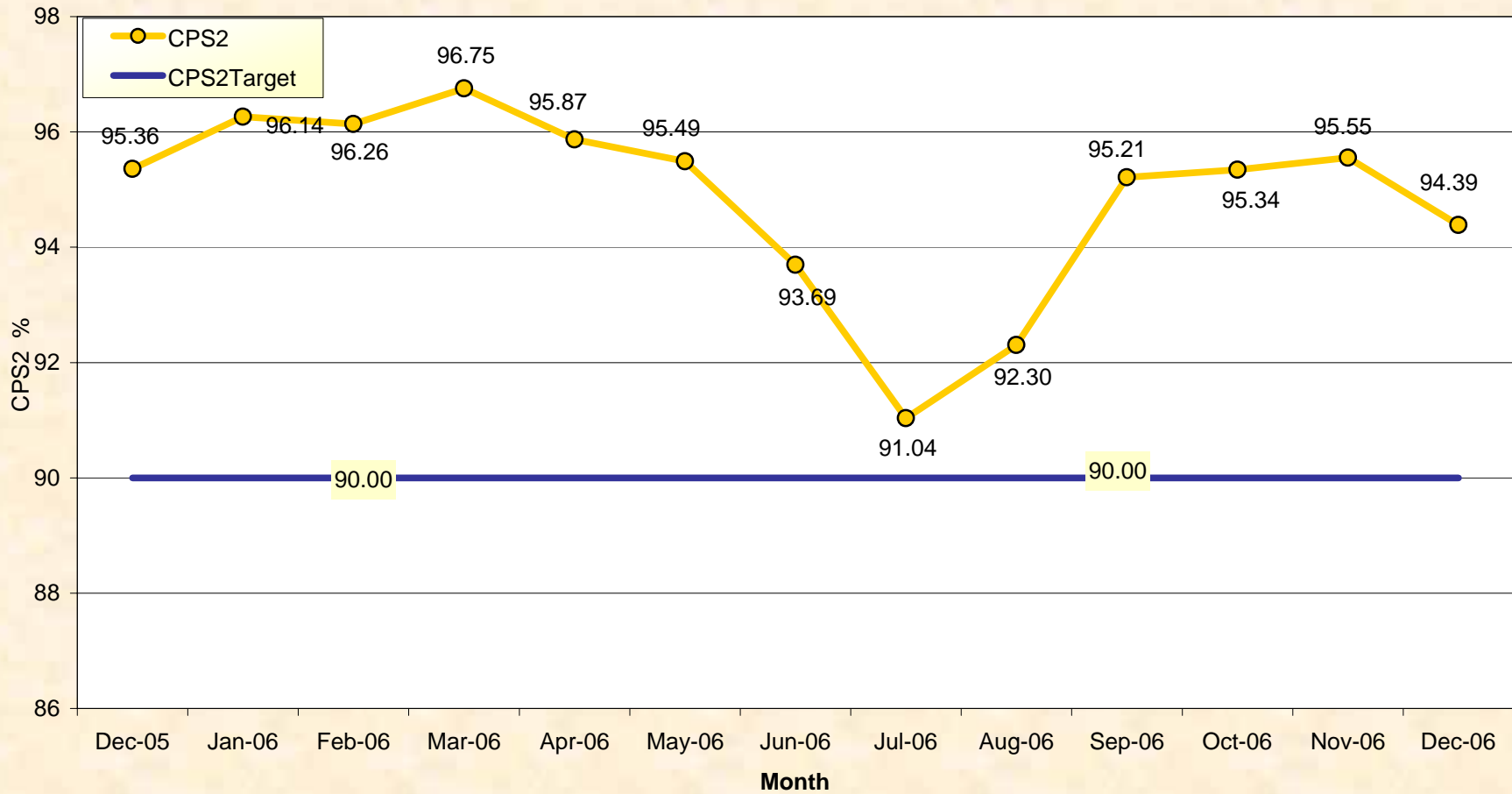


Billing Codes for Chart 4-C

Chart 4-C Category Name	Billing Code	Billing Category Name
Bid Production Cost Guarantee Balancing	81203	Balancing NYISO Bid Production Cost Guarantee - Internal Units
Bid Production Cost Guarantee Balancing	81204	Balancing NYISO Bid Production Cost Guarantee - External Units
Bid Production Cost Guarantee Balancing	81205	Balancing NYISO Bid Production Cost Guarantee Expenditure due to Curtailed Imports
Bid Production Cost Guarantee Balancing	81208	Balancing NYISO Bid Production Cost Guarantee - Internal Units
Bid Production Cost Guarantee Balancing	81209	Balancing NYISO Bid Production Cost Guarantee - External Units
Bid Production Cost Guarantee Balancing	81213	Balancing NYISO Bid Production Cost Guarantee Expenditure due to Curtailed Imports
Bid Production Cost Guarantee DAM	81201	DAM NYISO Bid Production Cost Guarantee - Internal Units
Bid Production Cost Guarantee DAM	81202	DAM NYISO Bid Production Cost Guarantee - External Units
Bid Production Cost Guarantee DAM	81206	DAM NYISO Bid Production Cost Guarantee - Internal Units
Bid Production Cost Guarantee DAM	81207	DAM NYISO Bid Production Cost Guarantee - External Units
Bid Production Cost Guarantee DAM Virtual	81501	DAM Virtual Bid Production Cost Guarantee
DAM Contract Balancing	81315	DAM Contract Balancing
DAM Contract Balancing	81317	DAM Contract Balancing
Local Reliability Balancing	81002	Balancing Local Reliability Bid Production Cost Guarantee
Local Reliability DAM	81001	DAM Local Reliability Bid Production Cost Guarantee
NYISO Cost of Operations	80901	NYISO Cost Of Operations
NYISO Cost of Operations	80902	NYISO Cost Of Operations
NYISO Cost of Operations	83501	NYISO Cost Of Operations
NYISO Cost of Operations	83502	NYISO Cost Of Operations
Residuals Balancing	81302	Balancing Market Energy Residual
Residuals Balancing	81304	Balancing Market Loss Residual
Residuals Balancing	81305	Balancing Market Congestion Balancing
Residuals Balancing	81306	Emergency Energy Purchases
Residuals Balancing	81307	Emergency Energy Sales
Residuals Balancing	81309	Balancing Market Energy Residual
Residuals Balancing	81311	Balancing Market Loss Residual
Residuals Balancing	81312	Balancing Market Congestion Balancing
Residuals Balancing	81313	Emergency Energy Purchases
Residuals Balancing	81314	Emergency Energy Sales
Residuals DAM	81301	Day Ahead Market Energy Residual
Residuals DAM	81303	Day Ahead Market Loss Residual
Residuals DAM	81308	Day Ahead Market Energy Residual
Residuals DAM	81310	Day Ahead Market Loss Residual

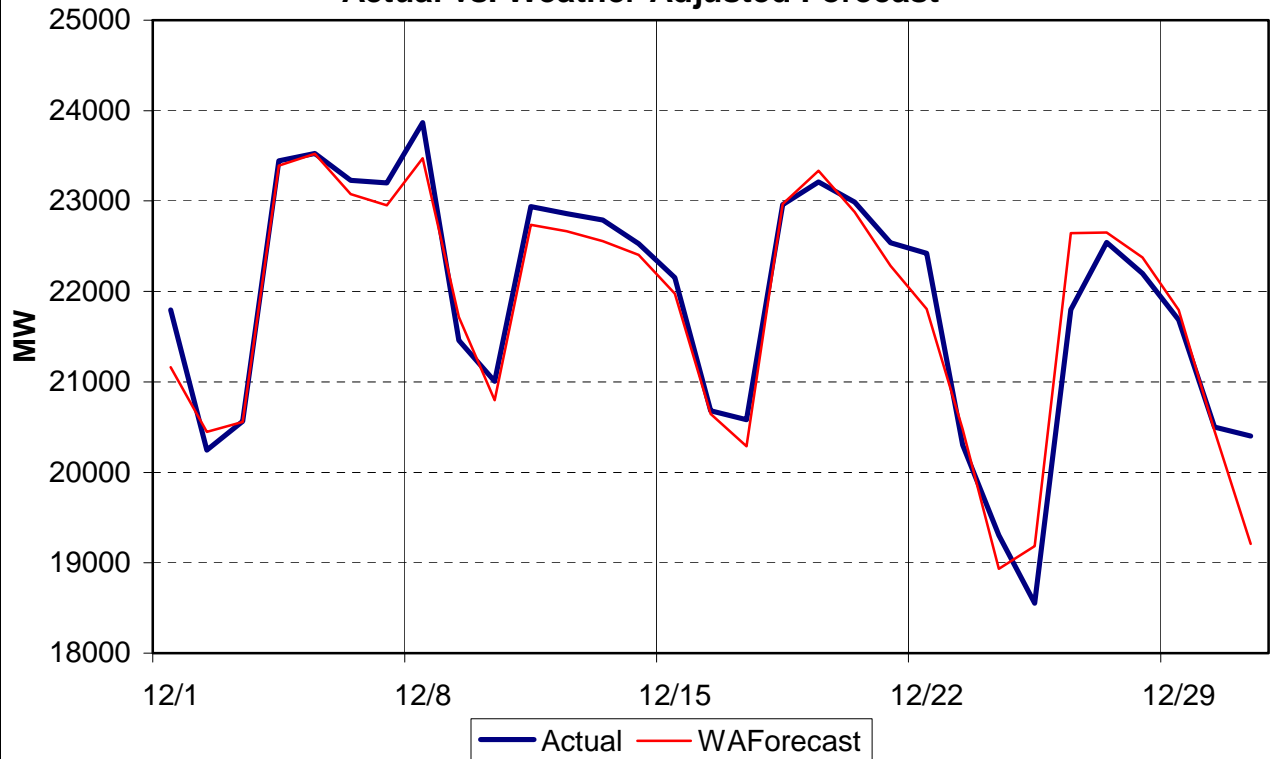
NERC Control Performance Standard

NYISO Compliance
Year 2005/2006

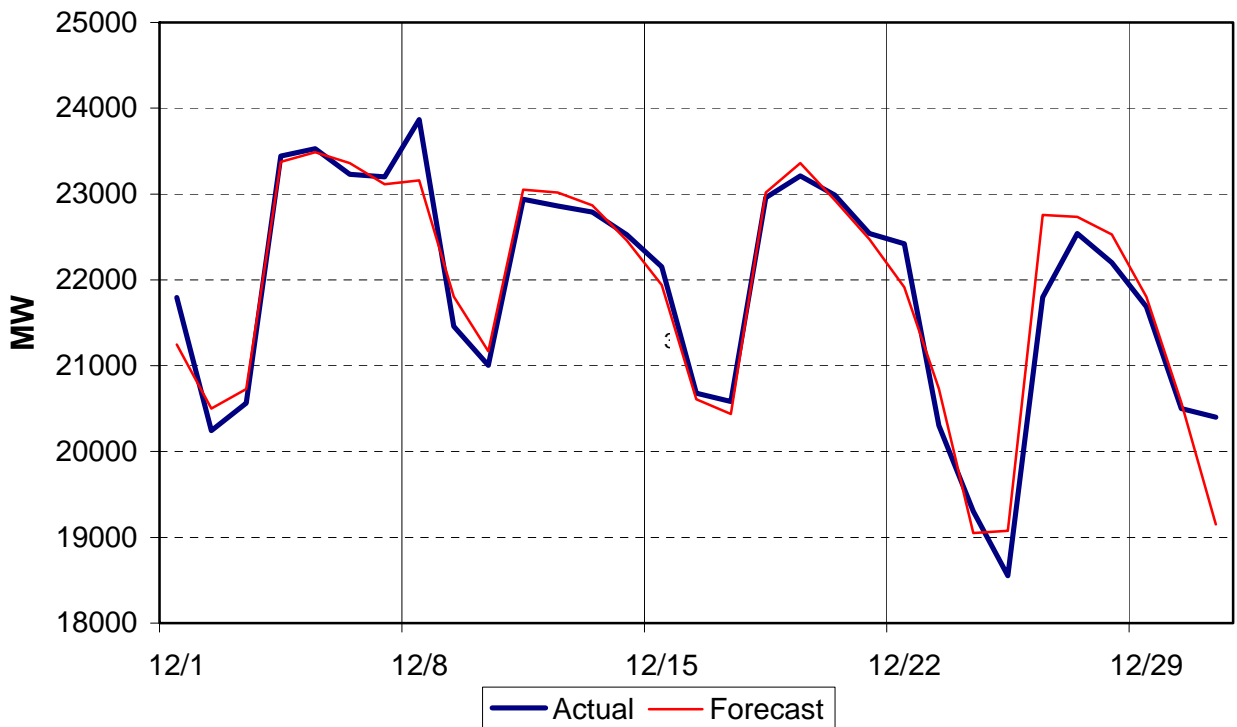


CPS2 for December = 94.39% Compliance Threshold = 90%
CPS2 measures excessive unscheduled power flow resulting from large Area Control Error (ACE)

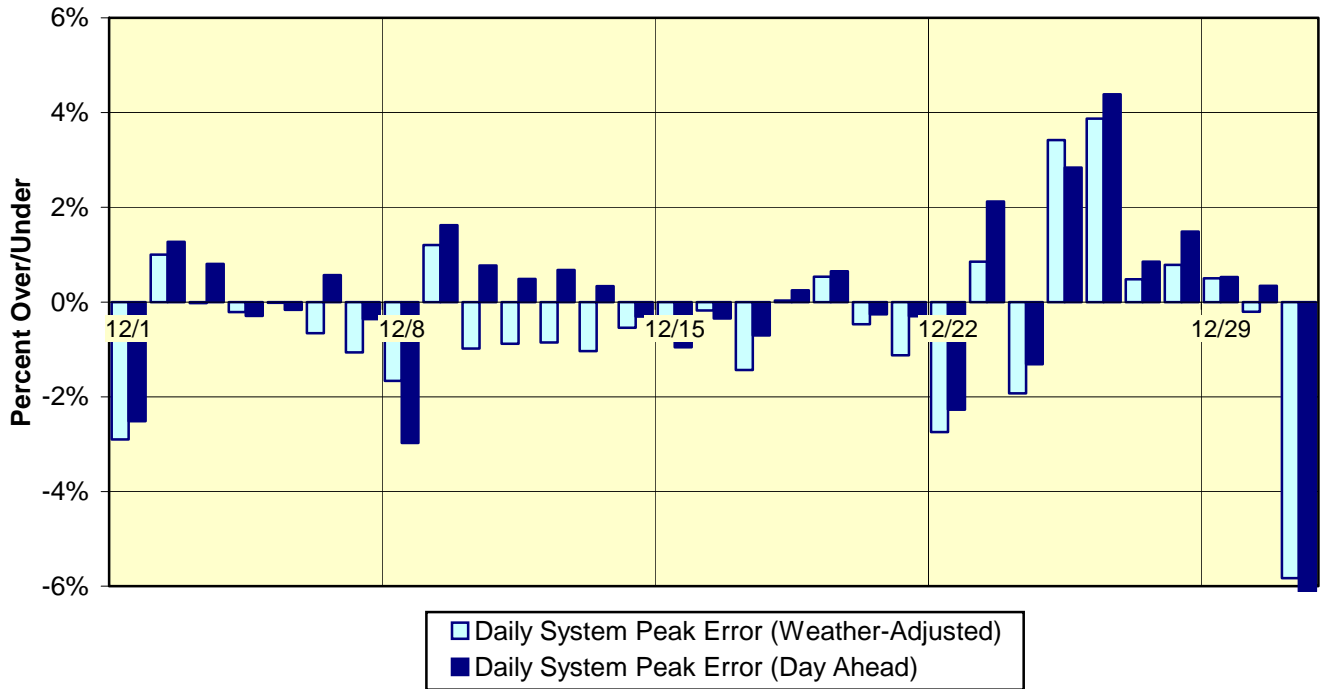
NYISO Daily Peak Load - December 2006
Actual vs. Weather-Adjusted Forecast



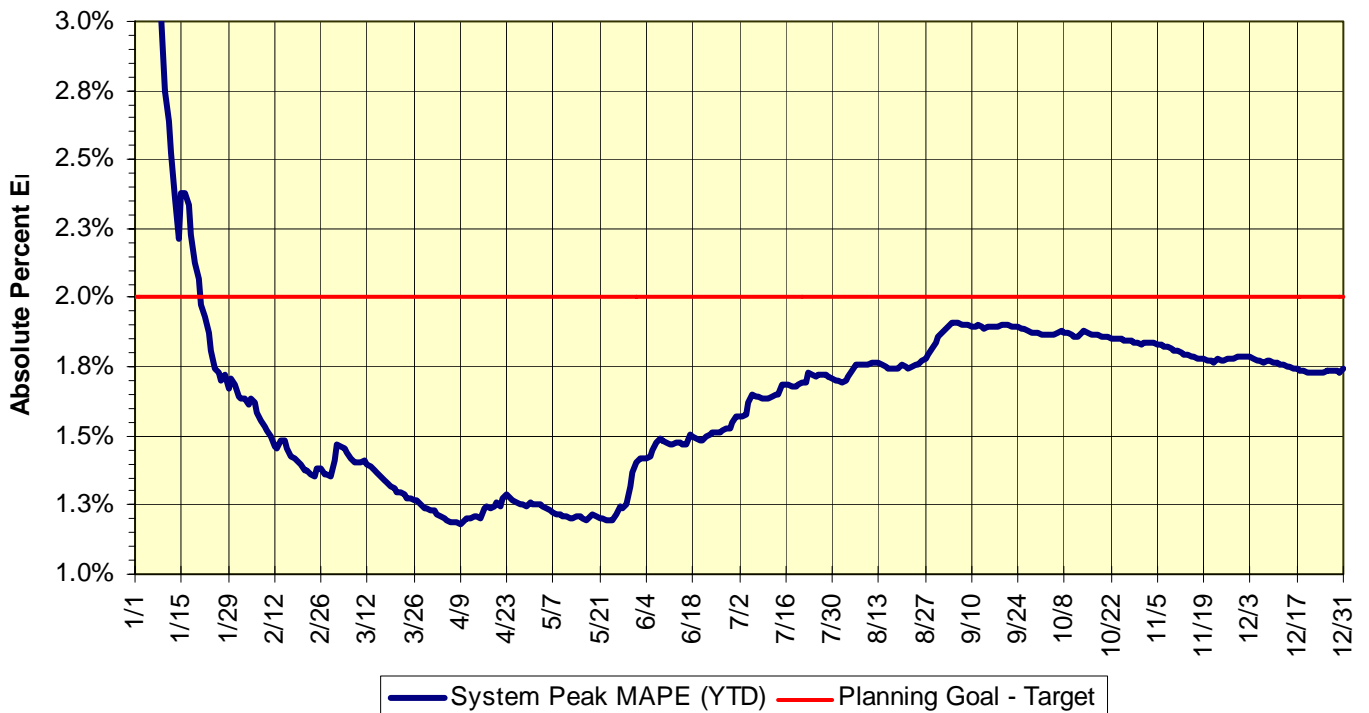
NYISO Daily Peak Load - December 2006
Actual vs. Forecast



Day-Ahead Forecast Daily Forecast Errors of System Peak December 2006



Day-Ahead Forecast Cumulative Performance - Daily System Peak 2006 Year-to-Date



DETAIL RESULTS

<u>Cost Category</u>	<u>ANNUAL AMOUNTS</u>				<u>YTD AMOUNTS AS OF 11/30/06</u>		
	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Year-End Projection</u>	<u>Variance</u>	<u>Revised Budget</u>	<u>Actuals</u>	<u>Variance</u>
Capital	\$ 22.4	\$ 21.0	\$ 22.5	\$ 1.5	\$ 18.8	\$ 18.1	\$ (0.7)
Salaries & Benefits	\$ 50.3	\$ 49.3	\$ 44.8	\$ (4.5)	\$ 45.2	\$ 41.0	\$ (4.2)
Professional Fees (including Legal)	\$ 26.6	\$ 29.2	\$ 32.0	\$ 2.8	\$ 26.8	\$ 25.6	\$ (1.2)
Building Services	\$ 4.4	\$ 4.4	\$ 4.6	\$ 0.2	\$ 4.0	\$ 3.9	\$ (0.1)
Computer Services	\$ 10.5	\$ 10.5	\$ 14.1	\$ 3.6	\$ 9.6	\$ 11.3	\$ 1.7
Insurance	\$ 4.6	\$ 4.6	\$ 3.6	\$ (1.0)	\$ 4.2	\$ 3.3	\$ (0.9)
Telecommunications	\$ 5.1	\$ 5.1	\$ 4.4	\$ (0.7)	\$ 4.7	\$ 4.0	\$ (0.7)
Other Expenses (BOD, Travel/Trng, NPCC Fees)	\$ 6.1	\$ 6.0	\$ 5.4	\$ (0.6)	\$ 5.5	\$ 4.8	\$ (0.7)
Current Year Needs (excluding FERC Fees)	\$ 130.0	\$ 130.1	\$ 131.4	\$ 1.3	\$ 118.8	\$ 112.0	\$ (6.8)
Debt Service from Prior Year Financings	\$ 31.5	\$ 31.2	\$ 31.0	\$ (0.2)	\$ 28.7	\$ 28.5	\$ (0.2)
Cash Budget (excluding FERC Fees)	\$ 161.5	\$ 161.3	\$ 162.4	\$ 1.1	\$ 147.5	\$ 140.5	\$ (7.0)
Less: Miscellaneous Revenues	\$ (2.5)	\$ (2.5)	\$ (5.7)	\$ (3.2)	\$ (2.3)	\$ (5.4)	\$ (3.1)
Less: Proceeds from 2006 Budget Debt	\$ (28.0)	\$ (15.5)	\$ (15.5)	\$ -	\$ (15.5)	\$ (15.5)	\$ -
Less: Proceeds from 2005 budget underrun and 2004/05 load overcollections	\$ -	\$ (12.5)	\$ (12.5)	\$ -	\$ (11.5)	\$ (11.5)	\$ -
Less: Proceeds from Renovations Debt	\$ (9.0)	\$ (8.5)	\$ (8.5)	\$ -	\$ -	\$ -	\$ -
Add: Interest on 2006 Budget Debt	\$ 0.8	\$ 0.5	\$ 0.3	\$ (0.2)	\$ 0.3	\$ 0.2	\$ (0.1)
Add: Interest on Renovations Debt	\$ 0.4	\$ 0.4	\$ -	\$ (0.4)	\$ 0.3	\$ -	\$ (0.3)
Net Budget Needs (excluding FERC Fees)	\$ 123.2	\$ 123.2	\$ 120.5	\$ (2.7)	\$ 118.8	\$ 108.3	\$ (10.5)
FERC Fees	\$ 9.9	\$ 9.9	\$ 7.8	\$ (2.1)	\$ 9.1	\$ 7.1	\$ (2.0)
Rate Schedule #1 Revenue Requirement	\$ 133.1	\$ 133.1	\$ 128.3	\$ (4.8)	\$ 127.9	\$ 115.4	\$ (12.5)

Description		Status and Milestone Deliverables
Energy Marketplace Product Enhancements		
A767	MIS Enhancements: Comprehensive Bid Management System	<p>Status: This multi-phase project is nearing successful completion of the first phase. Software deployment was performed to make available the new load and virtual bidding forms on the new architecture; performance assessment and post-production monitoring is ongoing to ensure desired results were achieved. The team is continuing on requirements and design for the next phase of the project, with a scope of replacing the transaction bidding interfaces. Deployment of the next phase is targeted for the 4th quarter of 2007.</p> <p>Deliverables: This project will upgrade the web-based application structure to replace overlapping applications by allowing common components to support current application functionality and future application functional growth. One of the deliverables will be the implementation of a more flexible and reliable application infrastructure for the market applications. This project is part of a multi-year effort that will lead to a replacement of the Market Information System (MIS) and related bidding and scheduling applications. This project will continue into 2008.</p>
A871	Enhanced Price Validation	<p>Status: This project has formally launched and is in the development process for the first phase, and the detailed requirements process for the second phase. The fifth iteration of Phase 1 has completed on schedule, and the sixth (and final) iteration has started. Deployment of this phase is scheduled for February 2007.</p> <p>Deliverables: The NYISO has investigated all known causes of pricing errors, and has taken a systematic approach to determine features and functions that can significantly enhance the price validation process. Product enhancements are proposed to implement proactive price monitoring, improved price reservations, and enhanced price corrections. The project will entail a multi-phase, multi-year implementation of tools to enhance the price monitoring, reservation, and correction processes for the NYISO markets. This project will continue through 2007.</p>
A848	Real-Time BPCG Mitigation	<p>Status: This project is nearing successful completion of the development and testing of the final phase. Software to automate the Real-time BPCG mitigation functions on a daily, going-forward basis was deployed into production in early January, but it was deactivated due to outstanding regulatory requirements. Once clarification is obtained on several minor points in the December FERC order, the software will be activated to perform the automated calculations. Software to correct SRE / OOM mitigation was successfully deployed, on schedule, earlier in 2006.</p> <p>Deliverables: Correction of certain mitigation errors as identified by the NYISO in a 2005 FERC filing. This project represents the final deliverable in a multi-phased project to correct implementation errors related to mitigation of Supplemental Resource Evaluation (SRE) and Out of Merit (OOM) functions, as well as the mitigation of Real-time Bid Production Cost Guarantee (BPCG) payments.</p>
TBD	PJM Proxy Bus Pricing	<p>Status: This project is in the concept development phase. Initial design discussions have been held with Market Participants; requirements for potential tariff modifications under review. Software deployment is targeted for the 2nd quarter of 2007 in order to take advantage of trading opportunities during the peak load periods.</p> <p>Deliverables: Design and implementation of changes to the price calculation methodology at the PJM proxy. The change is anticipated to make the pricing at the PJM interface more consistent with actual system operation and is design to increase trading at that proxy.</p>

Description		Status and Milestone Deliverables
TBD	Transmission Constraint Pricing	<p>Status: This project is in the concept development phase. Initial design discussions have been held with Market Participants; requirements for potential tariff modifications under review. Software deployment is targeted for the 2nd quarter of 2007 in order to have the price correction protections in place prior to the peak load periods.</p> <p>Deliverables: Design and implementation of a Transmission Demand Curve methodology that would limit the impact on prices due to severe shadow costs as a result of transmission constraints. The change is anticipated to eliminate a certain form of price corrections.</p>
Auxiliary Market Product Enhancements		
A906	ICAP Auction Automation – Phase II	<p>Status: This project is in a preliminary planning phase, and will start the formal requirements process in 2007.</p> <p>Deliverables: Following the implementation of the first phase of the ICAP Auction Automation software project, a certain subset of enhancements are planned to complete the full suite of planned features. The scope of the next phase of the ICAP Auction Automation project will target the automation of the EDRP and SCR resource management.</p>
A857	Demand Response for Ancillary Services	<p>Status: This project is starting the requirements phase. Initial planning and requirements documentation is underway; development is expected to initiate in 2007, with implementation targeted for late 2007. A draft functional requirements document has been produced and is being circulated internally for review. Technical design for the end-state solution has proven more difficult than expected, but final design is expected to complete in 2007.</p> <p>Deliverables: As directed by the FERC, execution of software changes that will permit the integration of demand side resources (“DSRs”) into the NYISO real-time ancillary services and energy markets.</p>
TCC Marketplace Product Enhancement		
A796	TCC Auction Automation – Phase 2	<p>Status: This project is in a detailed requirements and design phase. An inter-departmental team has been formed to document the detailed use cases necessary to automate the database management functions. The project is targeting to complete the design by the 3rd quarter of 2007. An iterative development approach will be utilized to provide incremental functional deliverables starting in the second half of 2007, but full development of this phase will not be complete until 2008. Previously, the NYISO engaged Nexant to facilitate a scope identification process that has helped define the deliverable components for phase 2 and 3. Phase 3 will follow in 2008.</p> <p>Deliverables: Following the implementation of the first phase of the TCC Auction Automation software project (Automation of the Awards Process), following phases will deliver the Database / Inventory Automation (Phase 2) and Bidding (Phase 3) functionality required to fully automate the TCC markets.</p>

Description	Status and Milestone Deliverables
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Operations and Reliability Product Enhancements	
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A916	HQ Netting	<p>Status: This project is in the concept development phase. Initial design discussions have been held with Market Participants; requirements for potential tariff modifications under review. Software deployment is targeted for the 2nd quarter of 2007 in order to take advantage of trading opportunities during the peak load periods.</p> <p>Deliverables: Implementation of a second proxy bus definition at the Hydro Quebec interface. The software would establish a separate proxy bus for imports and wheel through transactions. This feature is expected to increase the volume of trades at the HQ interface.</p>
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A843	Integration of OOM and SRE Applications	<p>Status: This project is in a preliminary planning phase; detailed requirements specification will be performed in 2007, with the target to finalize the Concept Design in 2nd quarter and plan for development in 2008.</p> <p>Deliverables: Replacement of the Out of Merit (OOM) and Supplemental Resource Evaluation (SRE) applications used by the control room floor. These applications are currently built upon an unsupported platform (Oracle Forms) and can be design to be more efficient and error prone if they are consolidated into a single suite of application functions.</p>
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A862	Controllable Tie Line Additions: Dennison-Cedars Line	<p>Status: This project is an application of the Generic Controllable Tie Line logic deployed for the Cross Sound Cable n 2005. ABB Ranger and MIS model maintenance tasks required for deployment were successfully deployed, on schedule, in October 2006. Operational protocols are being reviewed for implementation.</p> <p>Deliverables: The Dennison-Cedars Line is a controllable tie line between Zone D in NY and HQT. The project, when implemented, will support both import and export transactions independent of the existing NY/HQT interconnection.</p>
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A862	Controllable Tie Line Additions: 1385 Line	<p>Status: This project is an application of the Generic Controllable Tie Line logic deployed in 2005. ABB Ranger and MIS model maintenance tasks required for deployment were successfully deployed, on schedule, in October. Final implementation is dependent upon the availability ISO-NE resources.</p> <p>Deliverables: The 1385 Line is a controllable tie line between Long Island and New England. The project, when implemented, will support both import and export transactions independent of the existing NY/NE interconnections.</p>
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Description	Status and Milestone Deliverables
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A862 Controllable Tie Line Additions: Project Neptune Line

Status: This project is in the concept development stage. ABB Ranger and MIS model maintenance tasks required for deployment were successfully deployed, on schedule, in October. Full implementation is planned for Q2 2007 to support the commissioning schedule of the Neptune Line.

Deliverables: The Neptune Line is an HVDC line between Long Island and New Jersey. The project, when implemented, will provide an additional external proxy bus on Long Island that is scheduled and priced independent of other external proxies. As a merchant transmission facility, the Neptune Line may require special bidding protocols similar to those that apply to the Cross Sound Cable. Actual requirements beyond the Generic Controllable Tie lines logic are being defined through the concept development effort.

Financial Service Product Enhancements

A845 Settlement System Replacement (SSR) / Billing Engine

Status: This project is in the development and testing phase. An iterative development approach has been employed where groups of the billing rules are being ported to the new engine in phases. The first six (6) sets of billing rules have passed the testing milestone, with the seventh group currently in User Acceptance Testing (UAT). The project schedule has slipped due to a longer than expected development cycle for the system framework and infrastructure build-out, as well as planned scope expansion resulting from the Real-time BPCG Mitigation project. Due to limitations on forth quarter deployments due to Sarbanes-Oxley guidelines, the earliest possible completion date of this phase would have been in first quarter of 2007, but the risks associated with the data center migration plans that are part of the new facility project makes a second quarter implementation far less risky. Certification of the billing software (Project A885) is a necessary prerequisite for deployment of this project.

Deliverables: Implementation of a rules-based design as a replacement to the settlements engine in the Billing and Accounting System (BAS). Project will leverage technology investment made as part of the Billing Simulator and will lead to a higher performing calculation engine for billing, as well as a more flexible architecture for managing future changes to the settlements processes. This project is part of a multi-year effort to replace the entire billing system including, the invoicing components, web-based reconciliation, and integration of certain credit functions. This project is scheduled to continue into 2008.

A885 Settlements Rules Engine Certification

Status: The contract with PA Consulting has been finalized and the project team has started on the preliminary project activities (establishing the test environment, test planning, etc.). A detailed internal review of all settlement use cases has identified the need to make certain tariff clarifications in order to remove any ambiguity between the language in the tariff and rules implemented in software. These clarifications will be reviewed with Market Participants in late January 2007.

Deliverables: Third party certification (PA Consulting) of the implementation of the rules in the new settlements engine is full compliant with all applicable tariffs. Project is a prerequisite for the Settlements System Replacement (SSR) project.

Description	Status and Milestone Deliverables
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A893	Web Based Reconciliation Replacement	<p>Status: This project is in the preliminary scoping and requirements phase. A series of technical conferences have been held with Market Participants to capture of the highest priority features needed in the new application, as well as understand the desired feature additions. The schedule for this project (originally targeted to start in 2007) was accelerated into late 2006 in order to meet Market Participant expectations. A phased delivery schedule is being proposed that will enable delivery of critical performance functions in mid-2007, followed by lower priority features later.</p> <p>Deliverables: Following a successful replacement of the settlements engine of the Billing and Accounting System (BAS), the NYISO will continue to leverage the technology investment made as part of that project by replacing the Web Based Reconciliation (WBR) application used to facilitate meter data input to the settlements process. The capabilities of the WBR application are criticized due to their performance as well as query and reporting capabilities. Enhancements to this capability will help support shorter settlement cycles.</p>
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Business Intelligence Product Enhancements

A849	DSS Pricing and Operational Data Mart	<p>Status: This project is in the latter stages of Quality Assurance testing. Current project schedules are targeting a production deployment in the 1st quarter of 2007. A series of Market Participant demonstrations of the new capabilities were received very favorably.</p> <p>Deliverables: During recent years, the NYISO has made a significant investment in data warehousing technology through the implementation of the Decision Support System (DSS) to support the NYISO settlements processes. This project will expand the DSS customer base by delivering pricing data that will support the price validation processes and provide greater transparency to the NYISO markets.</p>
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Other NYISO Key Projects

A775	Consolidate NYISO Offices	<p>Status: Personnel relocation activities have completed that enabled the NYISO to vacate the Washington Avenue facility and fully occupy the 3rd and 4th floor3 of the new Krey Corporate Center (KCC) facility. Construction activities are nearing completion for the staff spaces on the 2nd floors. Detailed planning for the data center migration has been ongoing. The schedule for implementation of the new Data Center, as well as migration activities of existing Data Center and Alternate Control Center functions, will be a significant gating factor for many 2007 NYISO projects. Preliminary project activities to migrate into the new data center will begin in February 2007.</p> <p>Deliverables: This project seeks to secure ~150,000 square feet of office space to include administrative offices, alternate control center and back-up IT/disaster recovery functionality. Once ready, this facility would enable the migration from former / existing NYISO facilities at Washington Avenue, Wolf Road, and Western Turnpike.</p>
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NYISO REGULATORY FILINGS – December 2006

- Dec. 1, 2006 NYISO Section 205 tariff filing regarding extending special tariff provisions to intermittent resources and generators during testing periods and correcting an inadvertent omission in a previous filing (ER07-285-000)
- Dec. 1, 2006 NYISO Section 206 filing of a complaint v. SCS/Astoria Energy regarding nameplate MW data and ICAP registration (EL07-18-000)
- Dec. 4, 2006 NYISO filing of a request for an extension of time to answer the LIPA complaint (EL07-16-000)
- Dec. 7, 2006 Multiple third party motions to intervene in NYISO joint filing regarding loss of Phase II imports (ER07-231-000)
- Dec. 11, 2006 NYISO filing of a motion to intervene regarding the PJM proceeding concerning protocols under its regional transmission expansion plan (ER06-456-000)
- Dec. 15, 2006 NYISO filing of its Ninth Quarterly Report regarding efforts to efficiently utilize combined cycle units in the NYISO markets (ER04-230-006, ER01-3155-006, ER01-1385-015, EL01-45-014)
- Dec. 15, 2006 NYISO and ISO/RTO joint filing of comments regarding the NOPR standards for business practices for interstate natural gas pipelines and public utilities (RM05-5-001)
- Dec. 18, 2006 NYISO compliance filing of tariff revisions involving NAESB business practices standards (ER06-1094-011)
- Dec. 20, 2006 NYISO filing of NYPSC requested comments regarding policies, practices and procedures for electric utilities in structuring their supply portfolios (Case 06-M-1017)
- Dec. 21, 2006 NYISO informational filing regarding the implementation status of the settlement system replacement project (ER04-230-023)
- Dec. 22, 2006 NYISO Section 205 filing of proposed tariff revisions that would make Generators eligible for payments for excess Energy that they inject as a result of unexpected increases in output during a "Testing Period" mode (ER07-356-000)
- Dec. 22, 2006 NYISO Section 205 filing of proposed tariff revisions to modify ICAP mitigation measures applicable to certain in-city generating units (ER07-360 000)
- Dec. 27, 2006 NYISO filing of supplemental motion regarding PSEG request for rehearing and clarification of FERC's 11/21/06 order involving PJM's external cost allocation (ER06-456-000)

- Dec. 28, 2006 Third party filing of motion to intervene in NYISO's 12/22/06 filing proposed tariff revisions regarding ICAP market mitigations (ER07-360-000)
- Dec. 29, 2006 NYISO filing of a request for privileged treatment of real-time guarantee payment mitigation details (ER06-185-006)
- Dec. 29, 2006 NYISO and NYSRC joint filing of a quarterly informational report regarding 11/30/05 complaint involving installed capacity reserve margin and locational capacity requirements (EL06-1-000)
- Dec. 29, 2006 NYISO and NYSEG joint filing of a standard large generator interconnection agreement with the Munnsville Wind project (ER07-388-000)

This list is current as of 9:51 A.M. January 4, 2007.

FERC ORDERS – December 2006

- Dec. 5, 2006 FERC order denying EPIC's request for rehearing of FERC's 12/25/05 order; denying NYTO request that NYISO engage stakeholder process and accepting NYISO's 1/31/06 compliance report regarding use of a one-day rather than a two-day virtual transaction collateral requirement (ER05-941-003 and 004)
- Dec. 6, 2006 FERC notice granting NYISO's request for an extension of time until 1/5/07 to answer LIPA's complaint regarding ICAP registration requirements (EL07-19-000)
- Dec. 14, 2006 FERC letter order accepting NYISO's 10/23/06 compliance report regarding progress made in the consideration of changing the method for allocating import rights to external installed capacity (EL06-72-003)
- Dec. 18, 2006 FERC letter order accepting NYISO's 11/2/06 filing regarding the shortening of the customer settlement cycle (ER07-156-000)
- Dec. 21, 2006 FERC order granting NYISO's request to use its settlement software methodology regarding the allocation of operating reserves costs, directing it to make refunds and to file a refund report (ER07-99-000)
- Dec. 28, 2006 FERC order denying rehearing, granting an extension of time and directing NYISO to make a further filing regarding the computation and implementation of BPCG billing corrections (ER06-185-005)

This list is current as of 8:20 A.M. January 2, 2007.