



Monthly Report

October 2006

Rana Mukerji

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Market Performance Highlights for October 2006

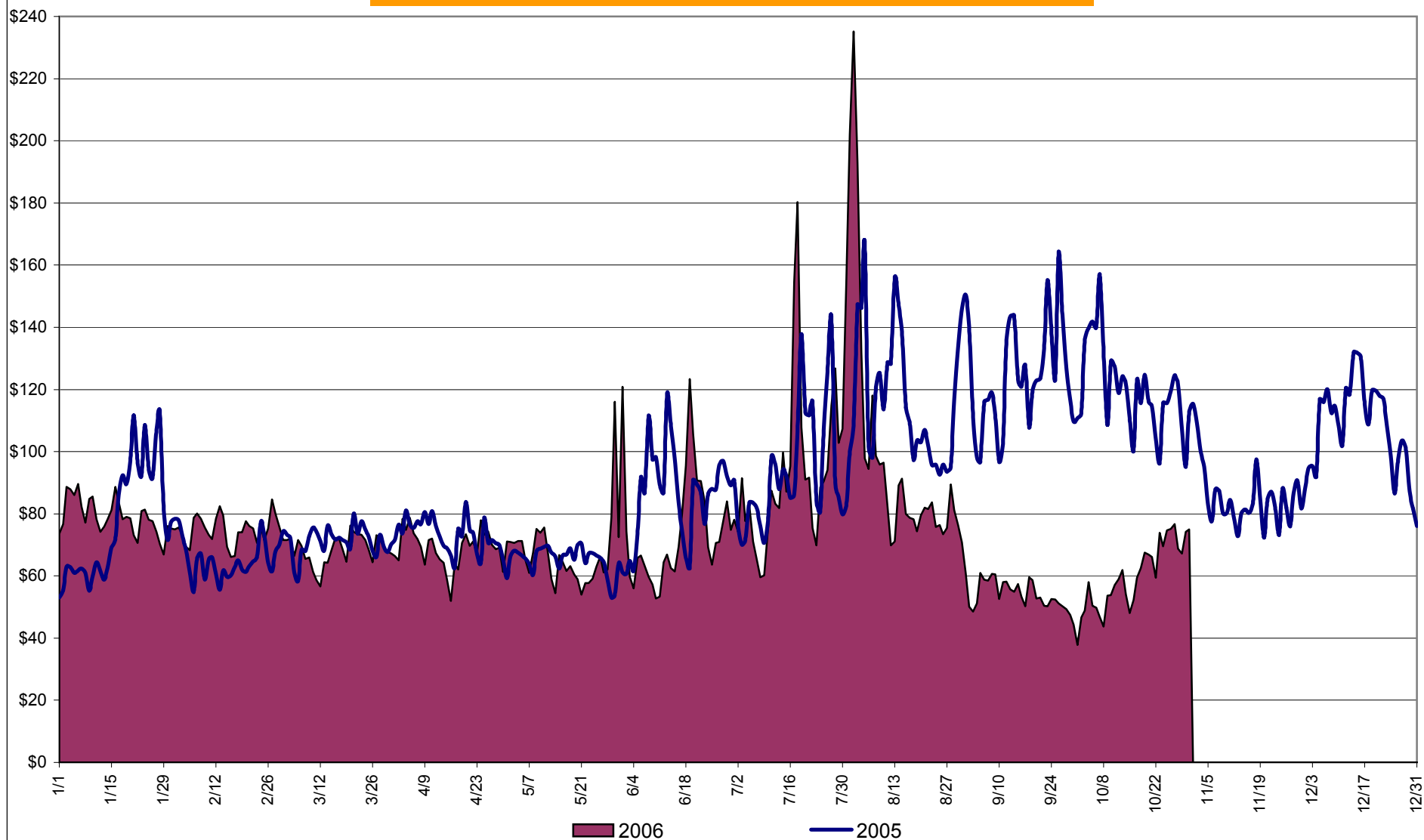
- LBMP for October is \$57.60/MWh, up from \$51.89/MWh in September.
 - Average monthly cost is \$60.38/MWh, up from \$54.38/MWh in September.
 - Day Ahead and Real Time LBMPs have increased from September.
- Fuel prices are mixed this month.
 - Kerosene is \$13.25/mmBTU, down from \$13.96/mmBTU in September
 - No. 2 Fuel Oil is \$11.72/mmBTU, down from \$12.12/mmBTU in September
 - No. 6 Fuel Oil is \$7.60/mmBTU, down from \$7.63/mmBTU in September
 - Natural Gas is \$6.23/mmBTU, up from \$5.14/mmBTU in September
- Uplift has increased slightly this month relative to September 2006.
 - Uplift (not including NYISO cost of operations) is \$0.68/MWh, up from \$0.46/MWh in September.
 - Total uplift (Schedule 1 components including NYISO Cost of Operations) increased from \$14.7 million in September 2006 to \$17.2 million in October 2006.
- The virtual market showed an increase in activity from August and September.

Daily NYISO Average Cost/MWh (Energy & Ancillary Services)*

2005 Annual Average \$93.83/MWh

October 2005 YTD Average \$93.02/MWh

October 2006 YTD Average \$77.72/MWh



* Excludes ICAP payments.

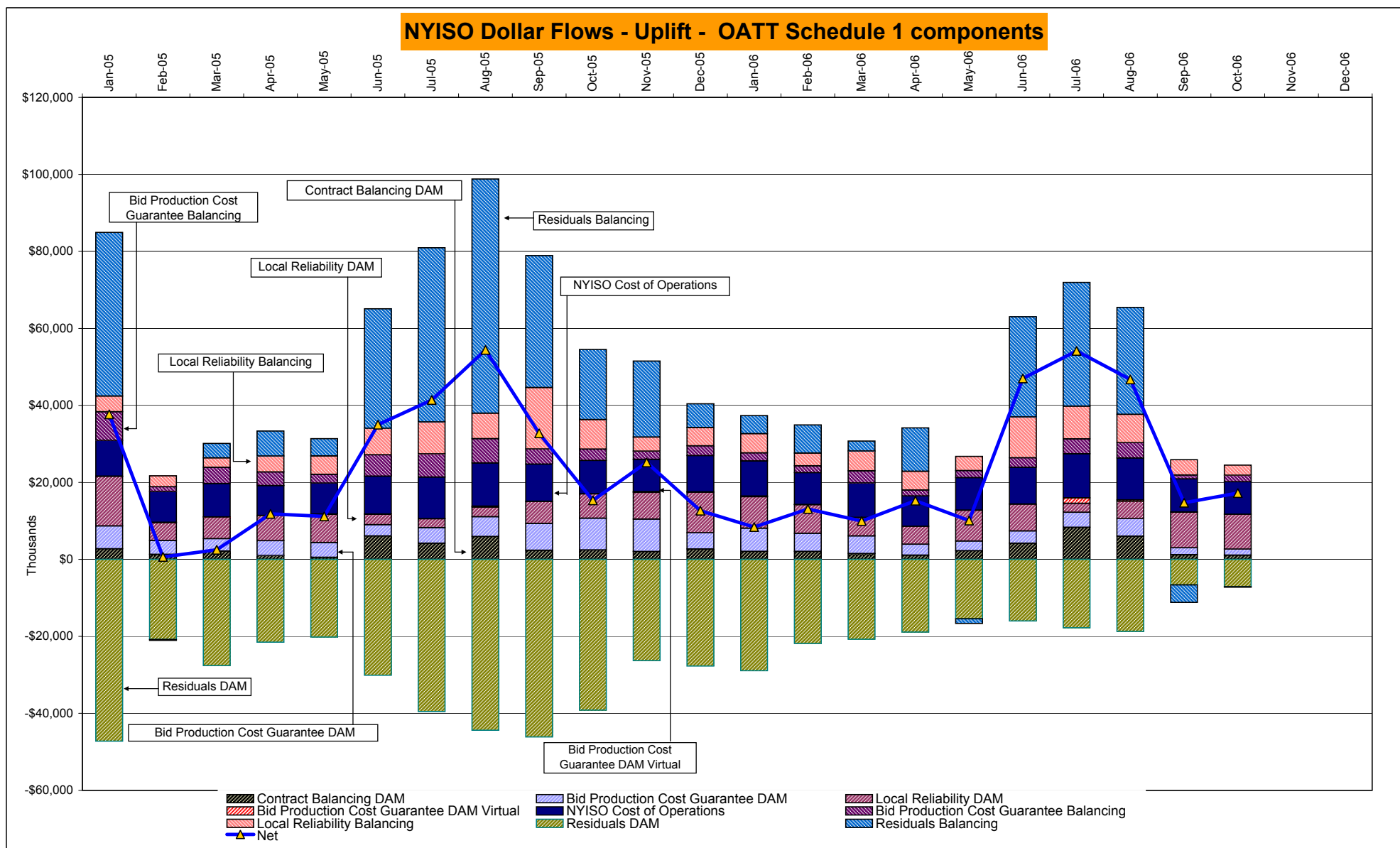
NYISO Average Cost/MWh (Energy and Ancillary Services) *
from the LBMP Customer point of view

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		
NTAC	0.46	0.90	0.43	0.54	0.64	0.69	0.47	0.39	0.33	0.38		
Reserve	0.35	0.30	0.29	0.35	0.16	0.22	0.30	0.13	0.29	0.29		
Regulation	0.56	0.68	0.69	0.47	0.42	0.39	0.30	0.28	0.41	0.43		
NYISO Cost of Operations	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		
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	79.46	75.11	69.03	69.24	67.88	76.87	97.90	105.42	54.38	60.38		
 Avg YTD Cost	79.46	77.40	74.49	73.24	72.19	73.07	77.90	82.11	79.45	77.72		

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.



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	January	February	March	April	May	June	July	August	September	October	November	December
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		
DAM LSE Internal LBMP Energy Sales	46%	47%	48%	50%	46%	48%	51%	50%	46%	47%		
DAM External TC LBMP Energy Sales	4%	3%	2%	2%	3%	3%	5%	5%	3%	3%		
DAM Bilateral - Internal Bilaterals	47%	47%	45%	45%	47%	45%	41%	42%	48%	47%		
DAM Bilateral - Import/Non-LBMP Market Bilaterals	2%	2%	2%	2%	2%	2%	1%	2%	2%	2%		
DAM Bilateral - Export/Non-LBMP Market Bilaterals	1%	1%	2%	1%	1%	1%	2%	1%	1%	1%		
DAM Bilateral - Wheel Through Bilaterals	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		
Balancing Energy LSE Internal LBMP Energy Sales	2%	20%	31%	26%	45%	32%	49%	38%	-16%	51%		
Balancing Energy External TC LBMP Energy Sales	87%	76%	66%	68%	48%	60%	62%	63%	89%	45%		
Balancing Energy Bilateral - Internal Bilaterals	5%	2%	2%	2%	2%	5%	1%	2%	-1%	1%		
Balancing Energy Bilateral - Import/Non-LBMP Market Bilaterals	2%	1%	0%	0%	3%	0%	0%	0%	3%	0%		
Balancing Energy Bilateral - Export/Non-LBMP Market Bilaterals	1%	1%	1%	1%	0%	0%	-12%	1%	1%	1%		
Balancing Energy Bilateral - Wheel Through Bilaterals	4%	1%	0%	3%	2%	3%	0%	-3%	24%	2%		
Transactions Summary												
LBMP	51%	50%	52%	53%	51%	53%	57%	56%	49%	52%		
Internal Bilaterals	46%	46%	43%	43%	45%	44%	40%	42%	47%	45%		
Import Bilaterals	2%	2%	2%	2%	2%	2%	1%	1%	2%	2%		
Export Bilaterals	1%	1%	2%	1%	1%	1%	1%	1%	1%	1%		
Wheels Through	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%		
Balancing Energy +	2.1%	2.4%	4.0%	3.2%	3.7%	3.8%	2.7%	2.0%	1.7%	3.9%		
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		
Average Daily Energy Sendout/Month GWh	439	444	428	395	407	471	528	518	430	409		
2005	January	February	March	April	May	June	July	August	September	October	November	December
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		
Standard Deviation	\$15.03	\$12.95	\$11.95	\$13.28	\$13.70	\$22.66	\$40.24	\$50.58	\$12.19	\$16.54		
Load Weighted Price **	\$75.09	\$70.34	\$65.74	\$64.93	\$61.29	\$68.02	\$89.27	\$95.39	\$50.76	\$55.39		
<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		
Standard Deviation	\$26.63	\$15.86	\$20.50	\$18.82	\$37.26	\$39.82	\$56.30	\$107.73	\$16.64	\$33.37		
Load Weighted Price **	\$71.94	\$64.44	\$64.43	\$63.93	\$63.75	\$65.15	\$83.30	\$101.89	\$49.51	\$58.87		
<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		
Standard Deviation	\$31.34	\$20.06	\$23.01	\$20.98	\$62.40	\$52.63	\$66.83	\$97.29	\$17.93	\$27.32		
Load Weighted Price **	\$73.18	\$65.38	\$65.38	\$64.13	\$68.66	\$66.47	\$86.37	\$102.03	\$48.95	\$57.21		
Average Daily Energy Sendout/Month GWh	439	444	428	395	407	471	528	518	430	409		

NYISO Markets 2005 Energy Statistics

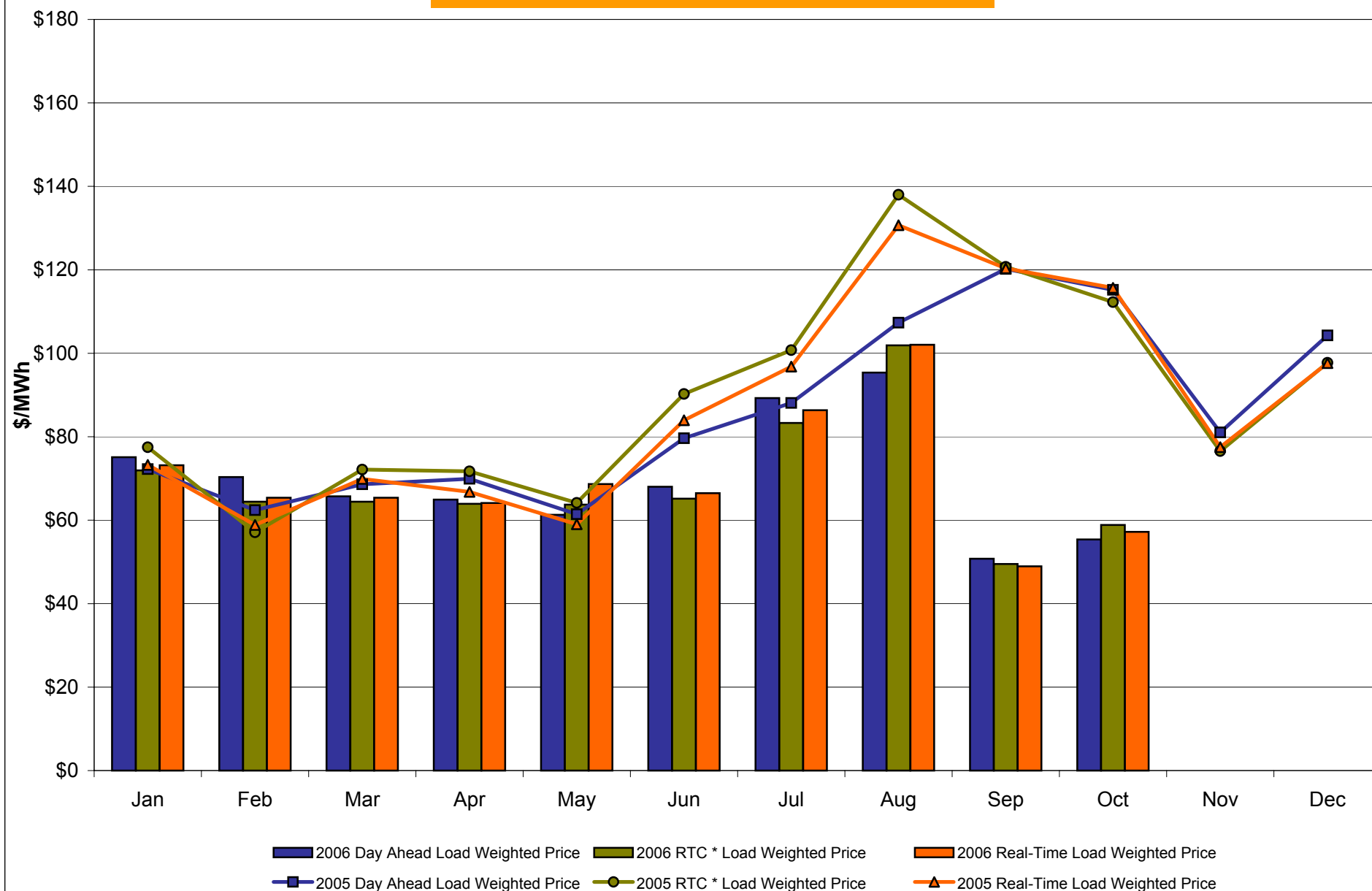
	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
<u>DAY AHEAD LBMP</u>												
Price *	\$69.55	\$61.04	\$67.17	\$68.14	\$59.59	\$75.49	\$83.75	\$102.33	\$115.47	\$110.99	\$78.56	\$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).

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

	<u>WEST</u> <u>Zone A</u>	<u>GENESEE</u> <u>Zone B</u>	<u>NORTH</u> <u>Zone D</u>	<u>CENTRAL</u> <u>Zone C</u>	<u>MOHAWK</u> <u>VALLEY</u> <u>Zone E</u>	<u>CAPITAL</u> <u>Zone F</u>	<u>HUDSON</u> <u>VALLEY</u> <u>Zone G</u>	<u>MILLWOOD</u> <u>Zone H</u>	<u>DUNWOODIE</u> <u>Zone I</u>	<u>NEW YORK</u> <u>CITY</u> <u>Zone J</u>	<u>LONG</u> <u>ISLAND</u> <u>Zone K</u>
<u>DAY AHEAD LBMP</u>											
Unweighted Price *	44.41	47.52	47.16	48.15	49.51	52.18	53.72	54.05	54.13	56.16	62.98
Standard Deviation	13.33	14.86	14.00	15.20	15.40	16.04	17.13	17.35	17.35	18.43	18.58
<u>RTC** LBMP</u>											
Unweighted Price *	45.00	49.44	48.72	49.95	51.24	55.82	58.43	58.80	58.87	60.35	65.02
Standard Deviation	26.25	30.84	29.78	30.93	31.74	35.04	37.03	37.72	37.78	37.46	37.30
<u>REAL TIME LBMP</u>											
Unweighted Price *	43.09	47.11	46.25	47.54	48.68	54.12	56.78	57.23	57.30	58.96	64.33
Standard Deviation	20.08	22.36	21.53	22.33	22.86	33.43	32.75	33.94	33.98	33.90	34.47
	<u>ONTARIO</u> <u>IESO</u>	<u>HYDRO</u> <u>QUEBEC</u>	<u>PJM</u>	<u>NEW</u> <u>ENGLAND</u>	<u>CROSS</u> <u>SOUND</u> <u>CABLE</u> <u>Controllable</u> <u>Line</u>						
<u>DAY AHEAD LBMP</u>											
Unweighted Price *	43.87	49.01	45.04	52.55	62.82						
Standard Deviation	13.17	15.08	14.14	16.27	18.72						
<u>RTC** LBMP</u>											
Unweighted Price *	41.94	50.03	44.56	52.56	35.78						
Standard Deviation	14.41	73.26	14.95	17.43	164.64						
<u>REAL TIME LBMP</u>											
Unweighted Price *	42.30	47.77	44.93	54.53	62.55						
Standard Deviation	19.69	21.71	20.47	31.74	35.31						

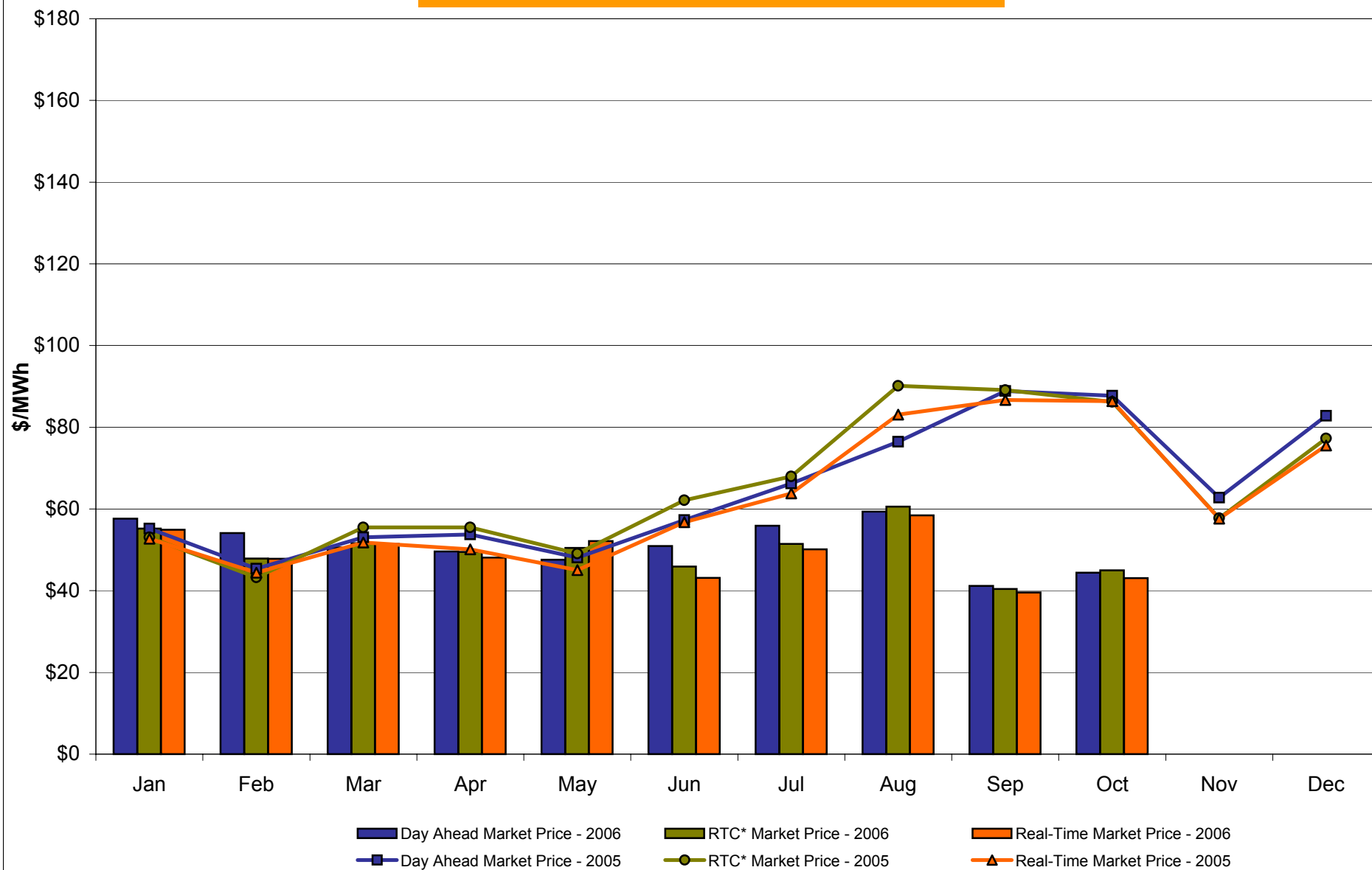
* Straight zonal LBMP averages

** Referred to as RTC beginning February 2005

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

West Zone A

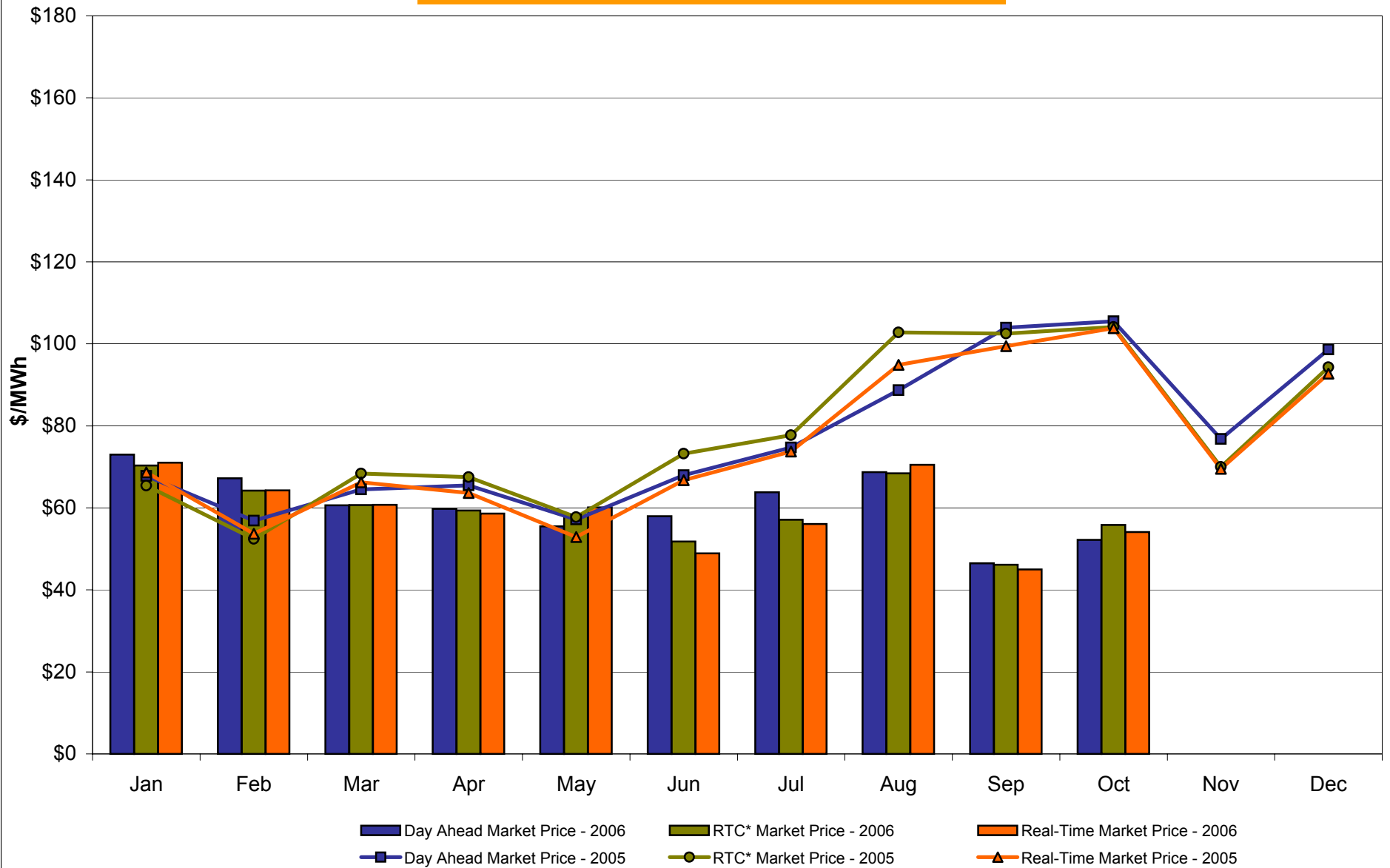
Monthly Average LBMP Prices 2005 - 2006



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

Capital Zone F

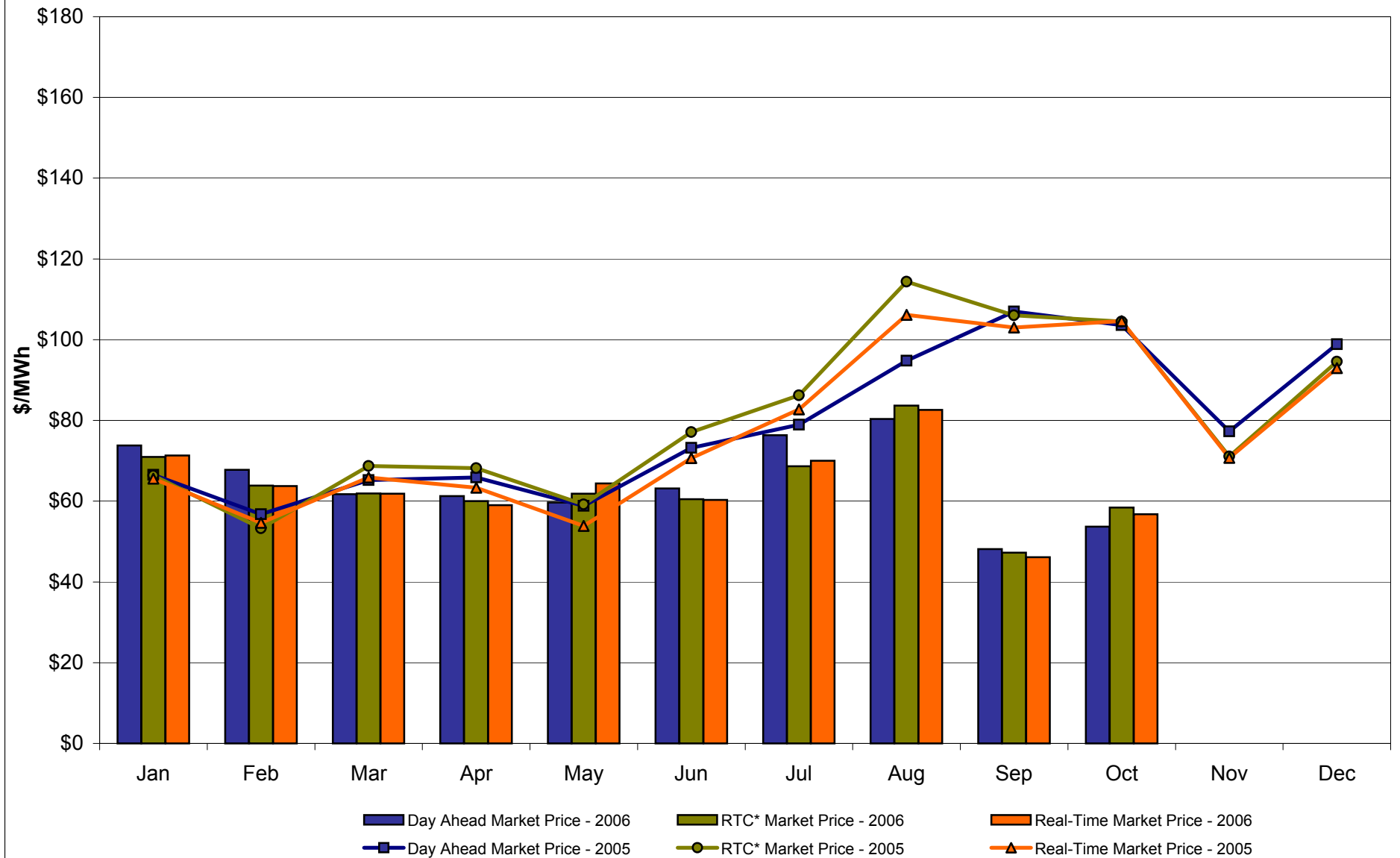
Monthly Average LBMP Prices 2005 - 2006



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

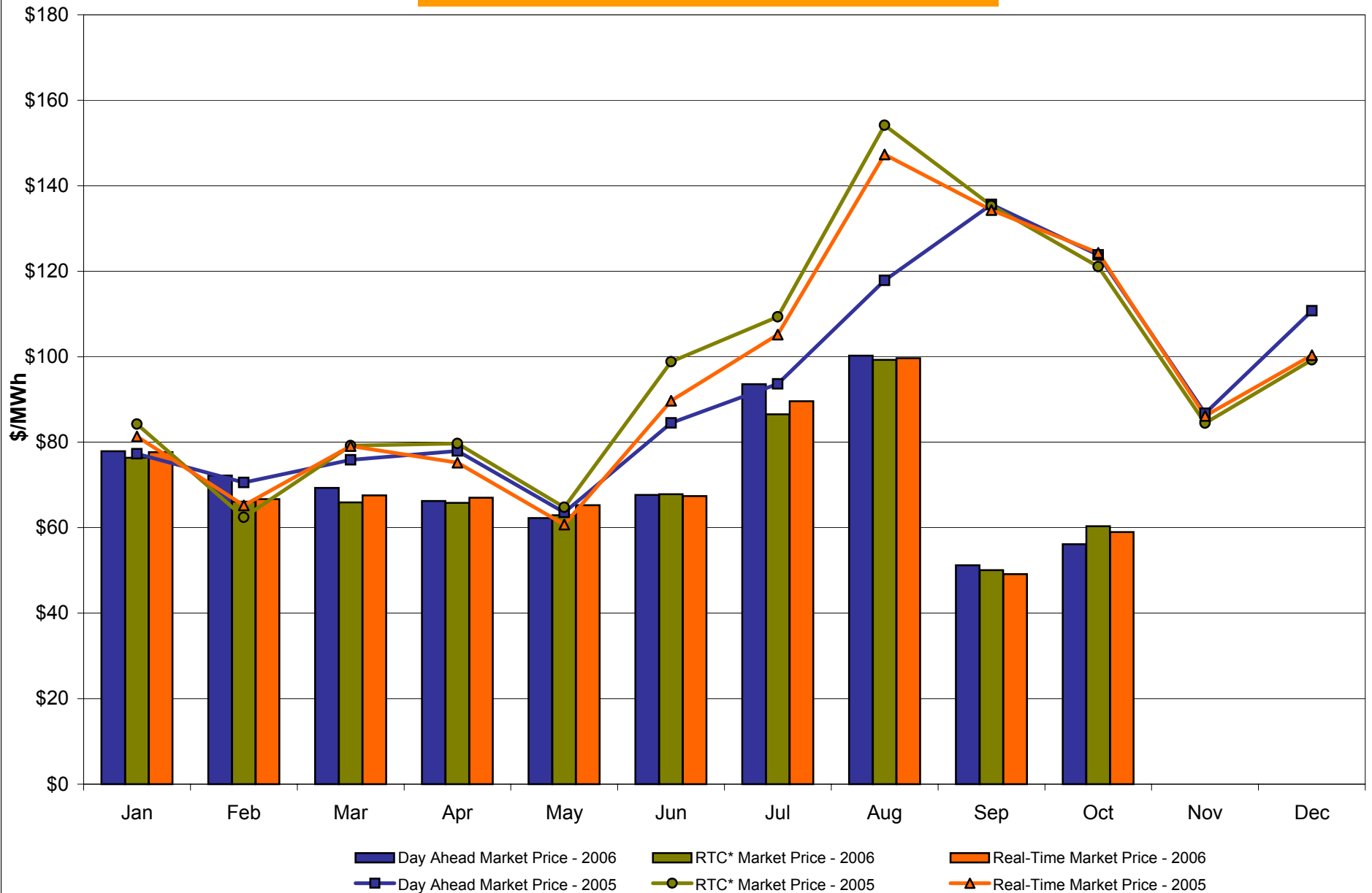
Hudson Valley Zone G

Monthly Average LBMP Prices 2005 - 2006



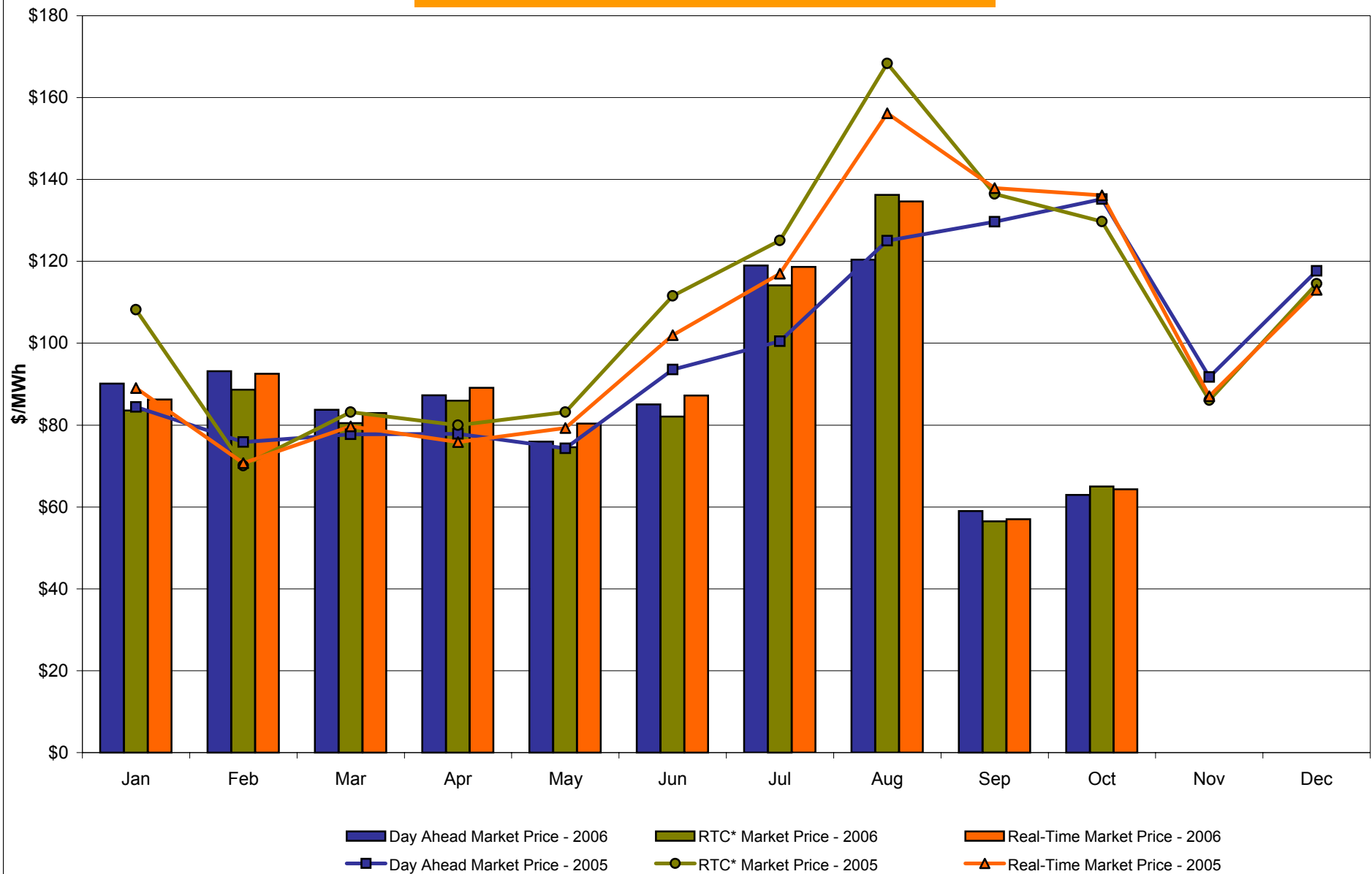
* Referred to as RTC beginning February 2005.
Prior to February 2005 known as BME or Hour Ahead Market (HAM).

NYC Zone J Monthly Average LBMP Prices 2005 - 2006



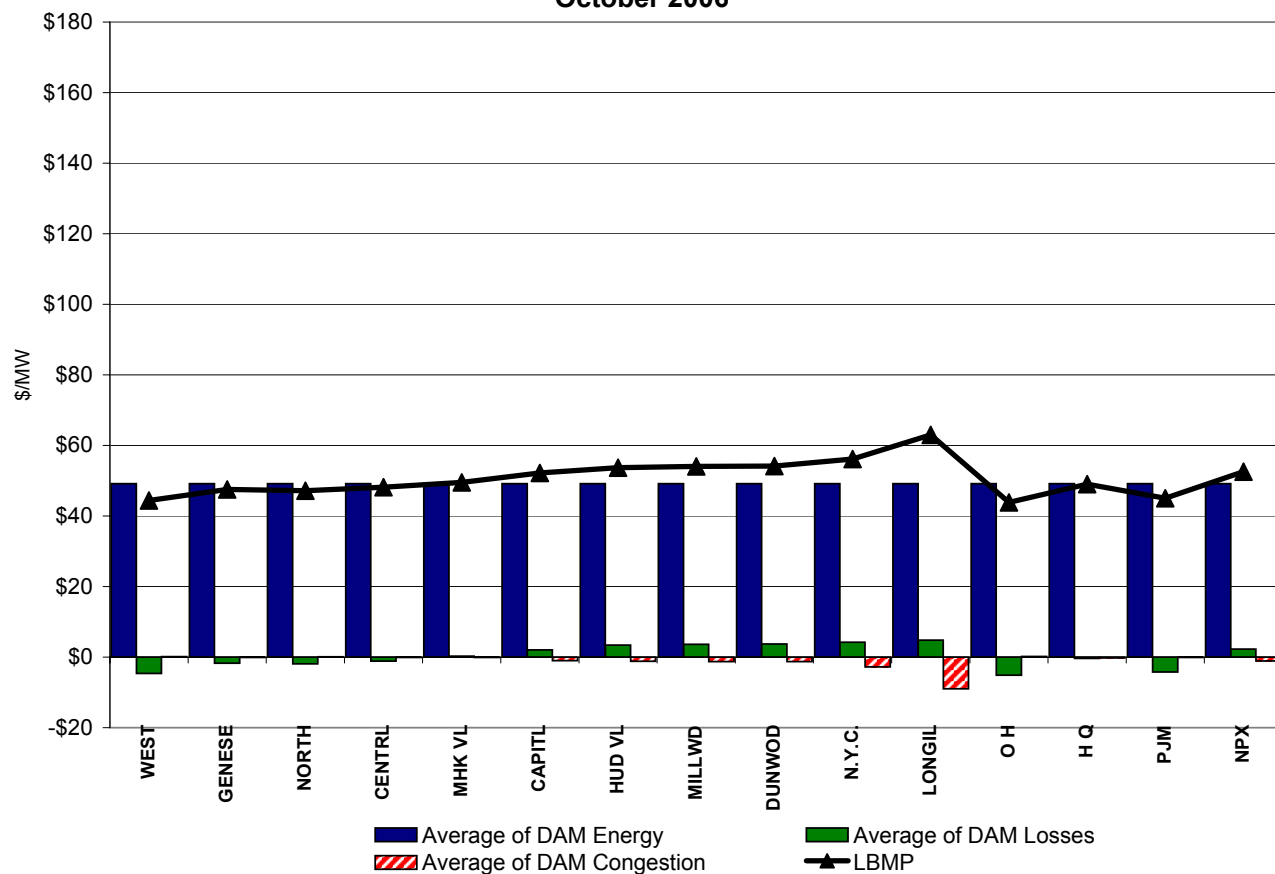
* Referred to as RTC beginning February 2005.
Prior to February 2005 known as BME or Hour Ahead Market (HAM).

Long Island Zone K Monthly Average LBMP Prices 2005 - 2006

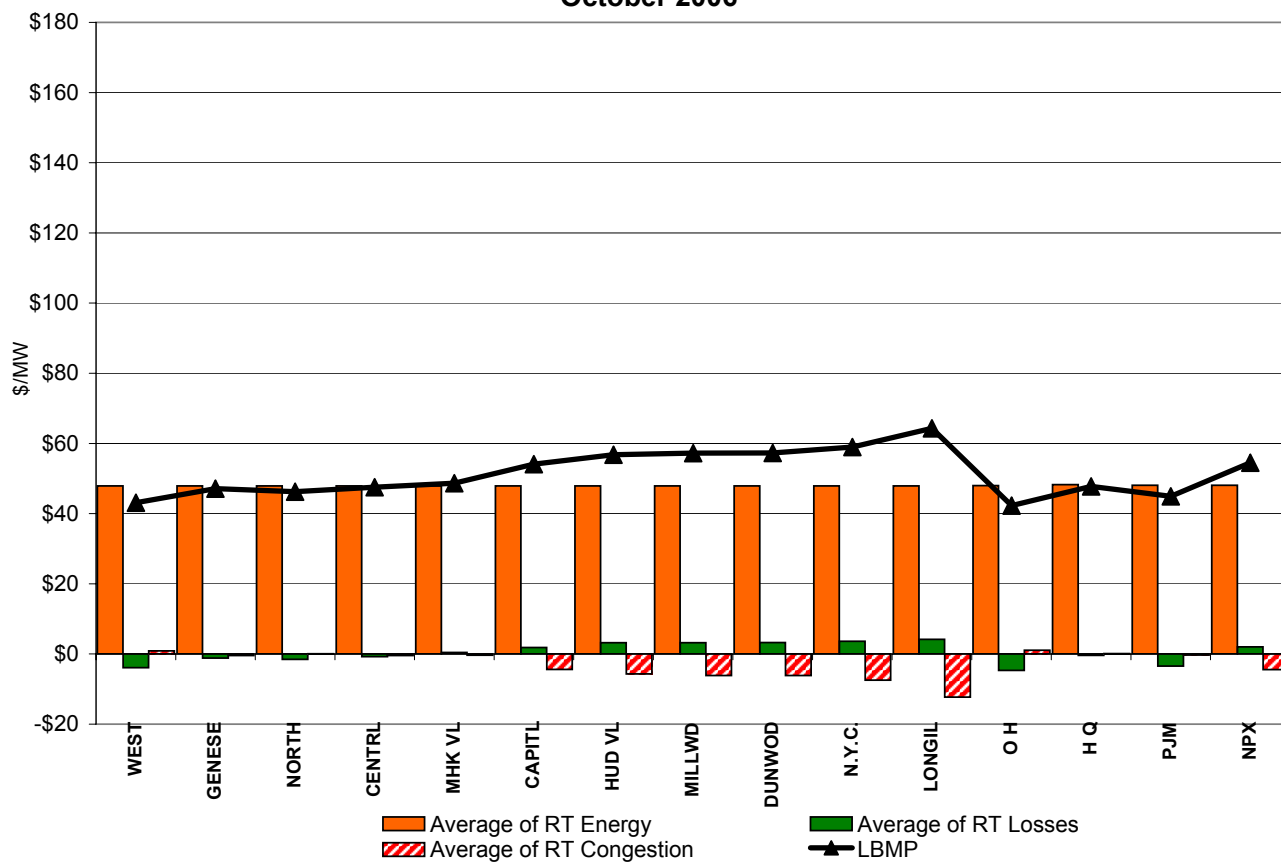


* Referred to as RTC beginning February 2005.
Prior to February 2005 known as BME or Hour Ahead Market (HAM).

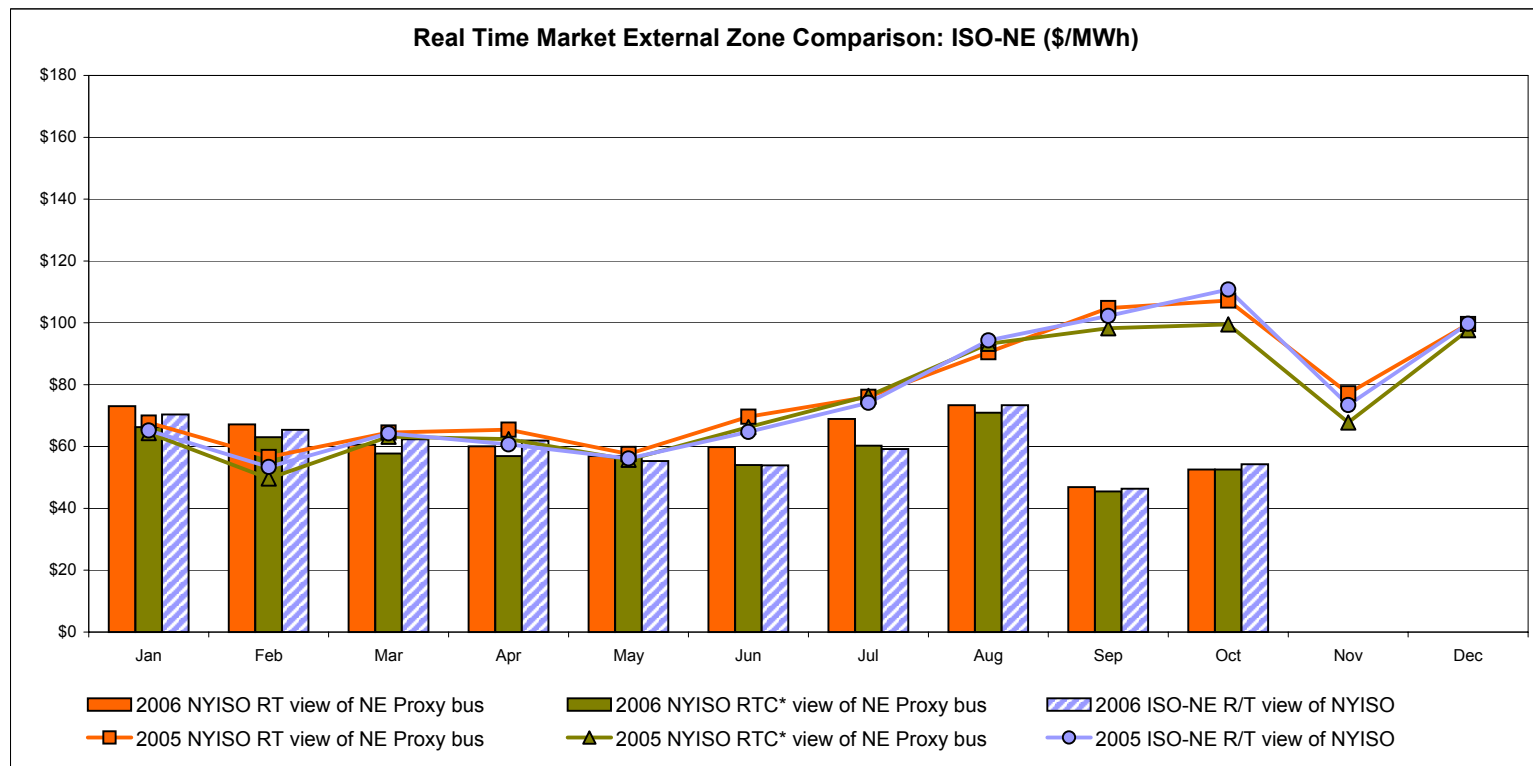
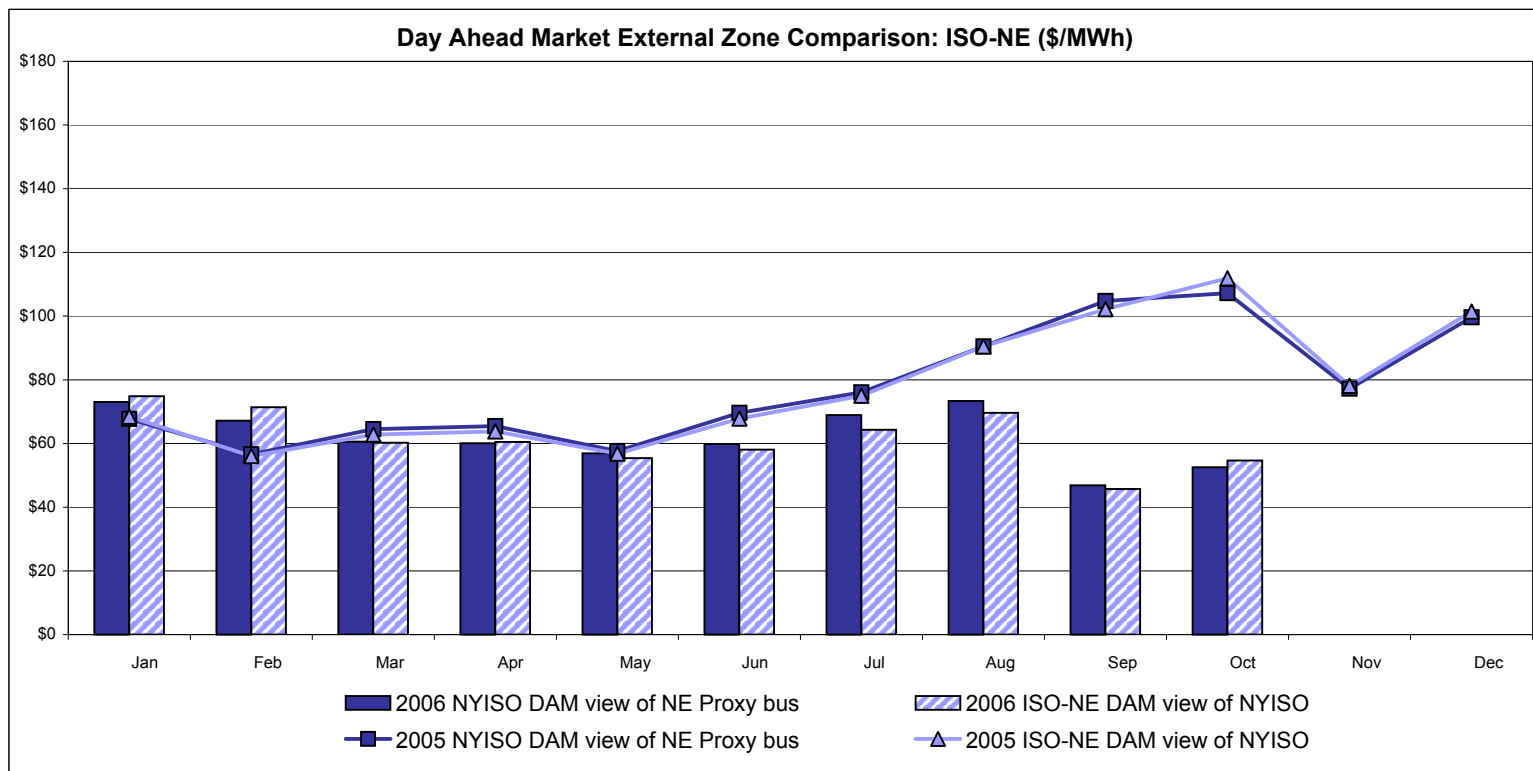
**DAM Zonal Unweighted Monthly Average LBMP Components
October 2006**



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



External Comparison ISO-New England



Note:

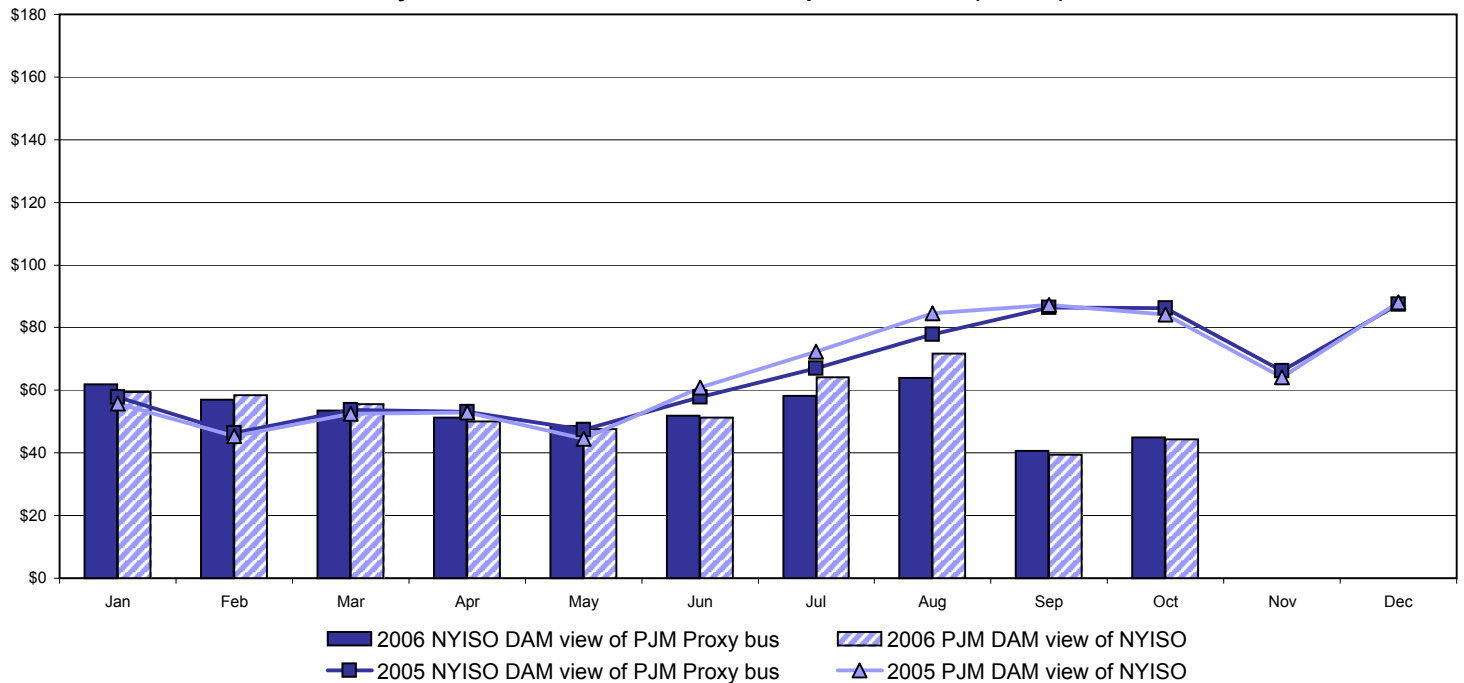
ISO-NE Forecast is an advisory posting @ 18:00 day before.
 The DAM and R/T prices at the Roseton interface are used for ISO-NE.
 The DAM and R/T prices at the SandyPond interface are used for NYISO.

* Referred to as RTC beginning February 2005.

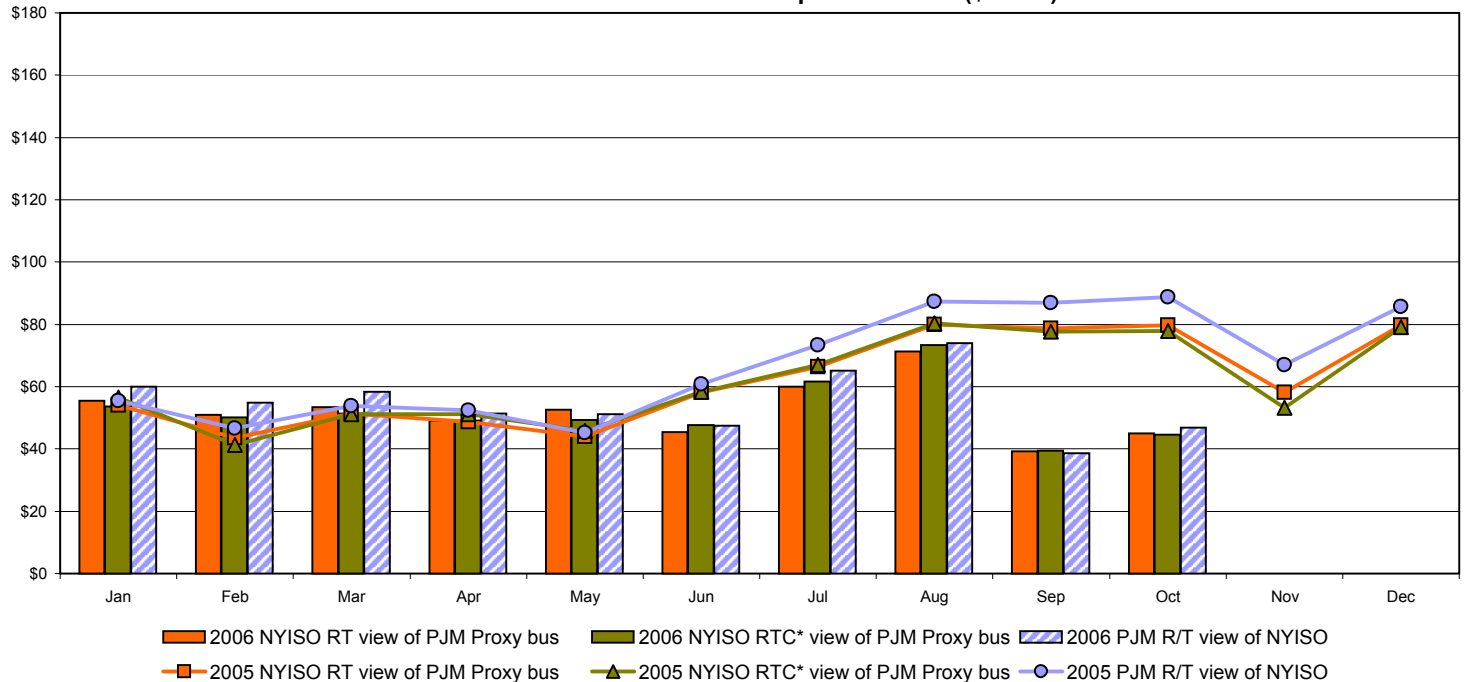
Prior to February 2005 known as BME or Hour Ahead Market (HAM).

External Comparison PJM

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

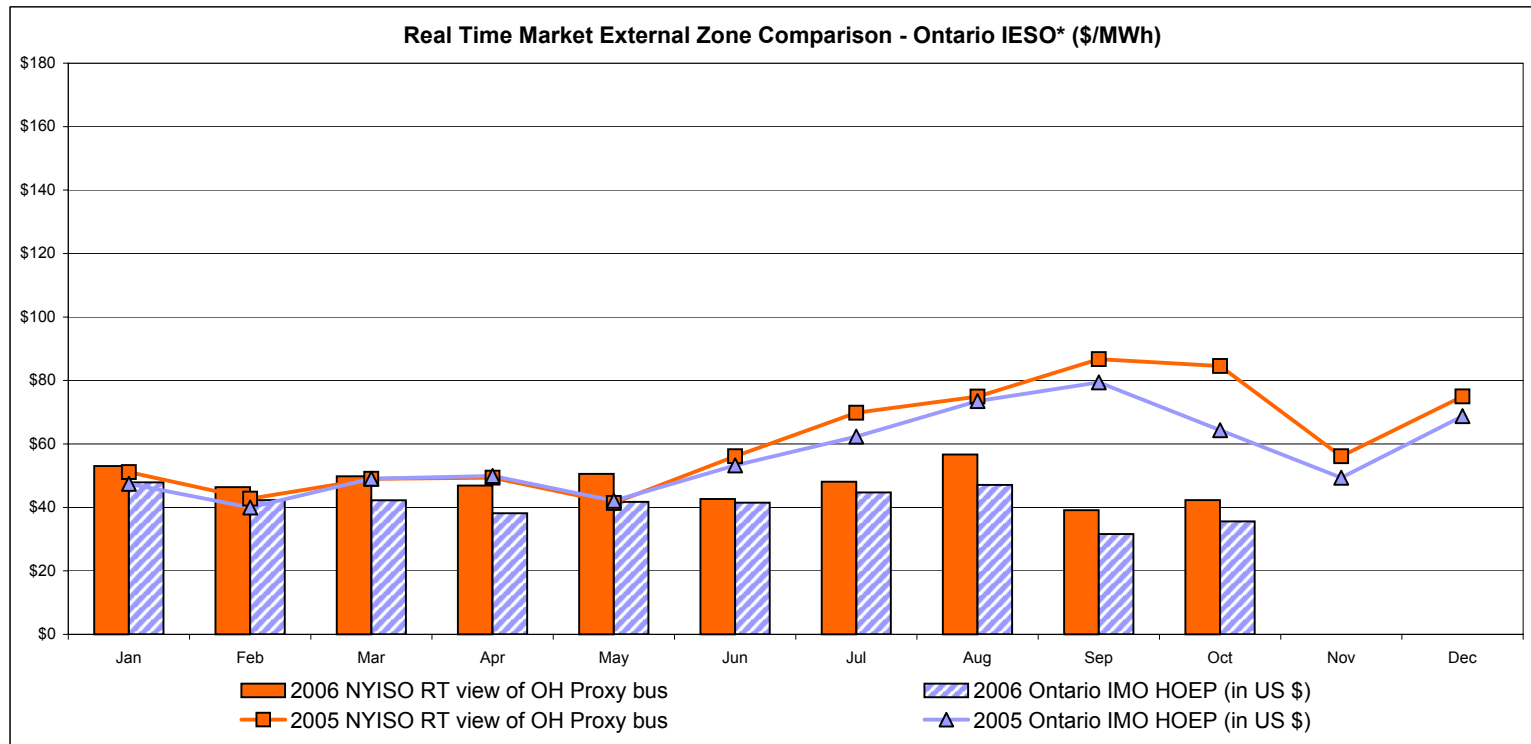
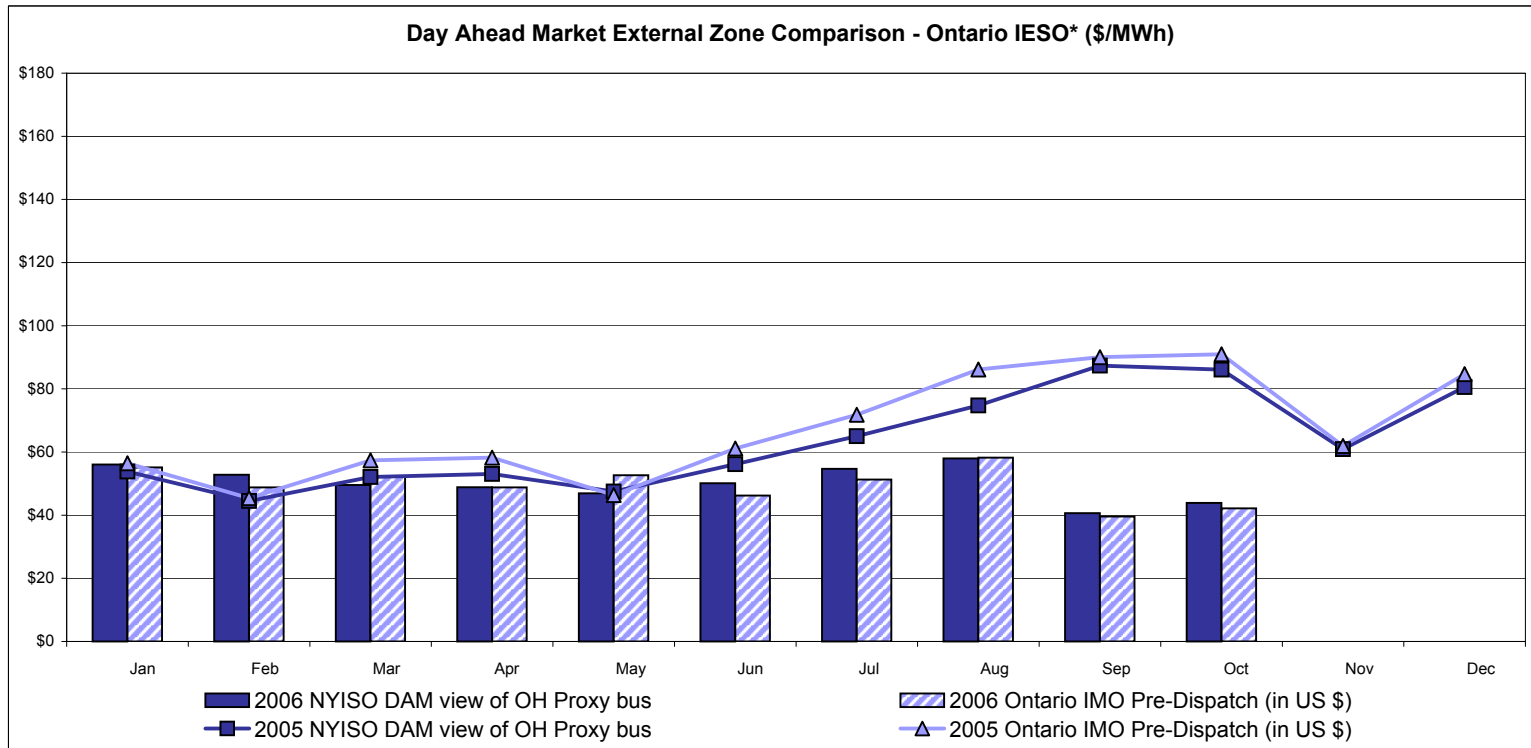


Real Time Market External Zone Comparison - PJM (\$/MWh)



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

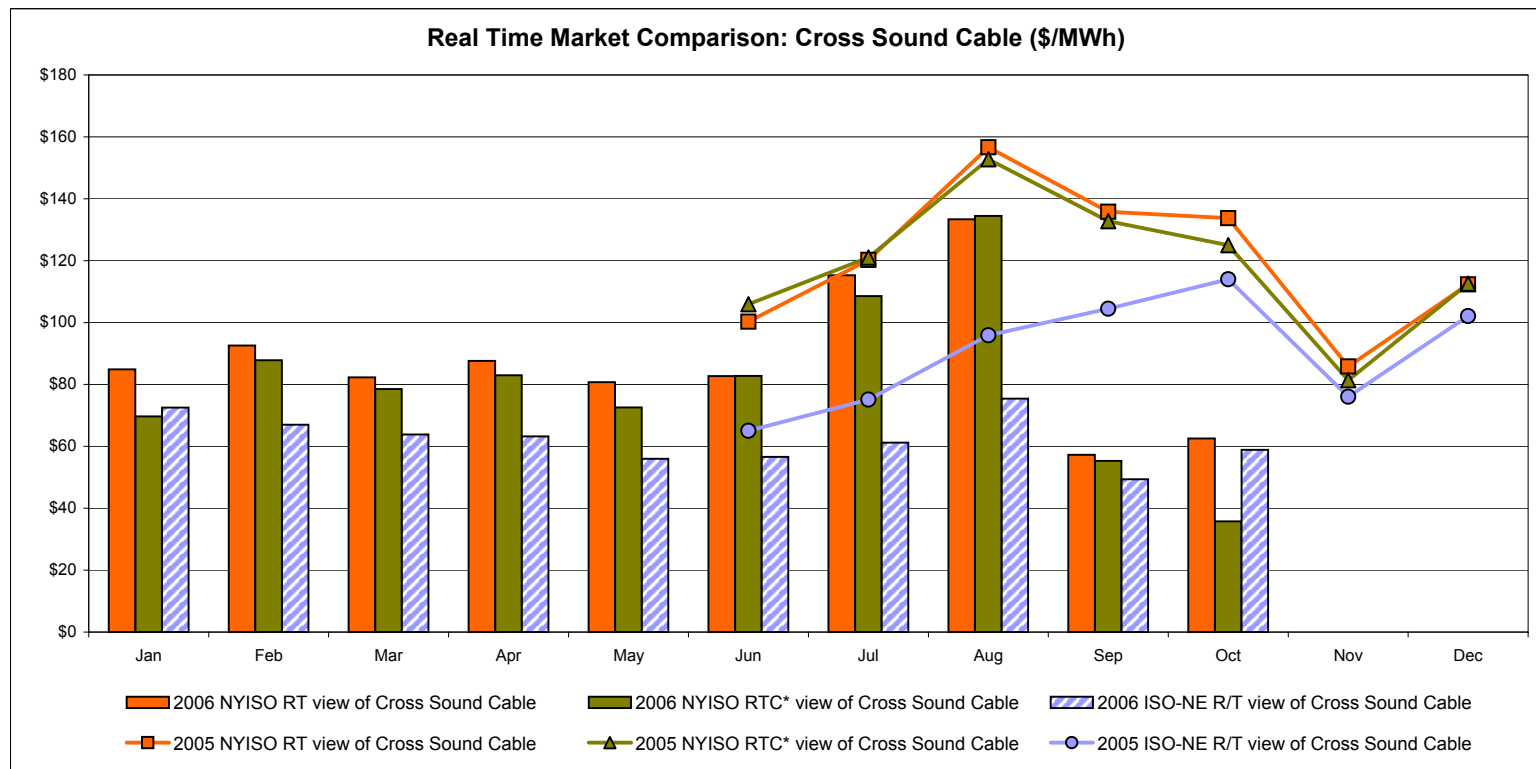
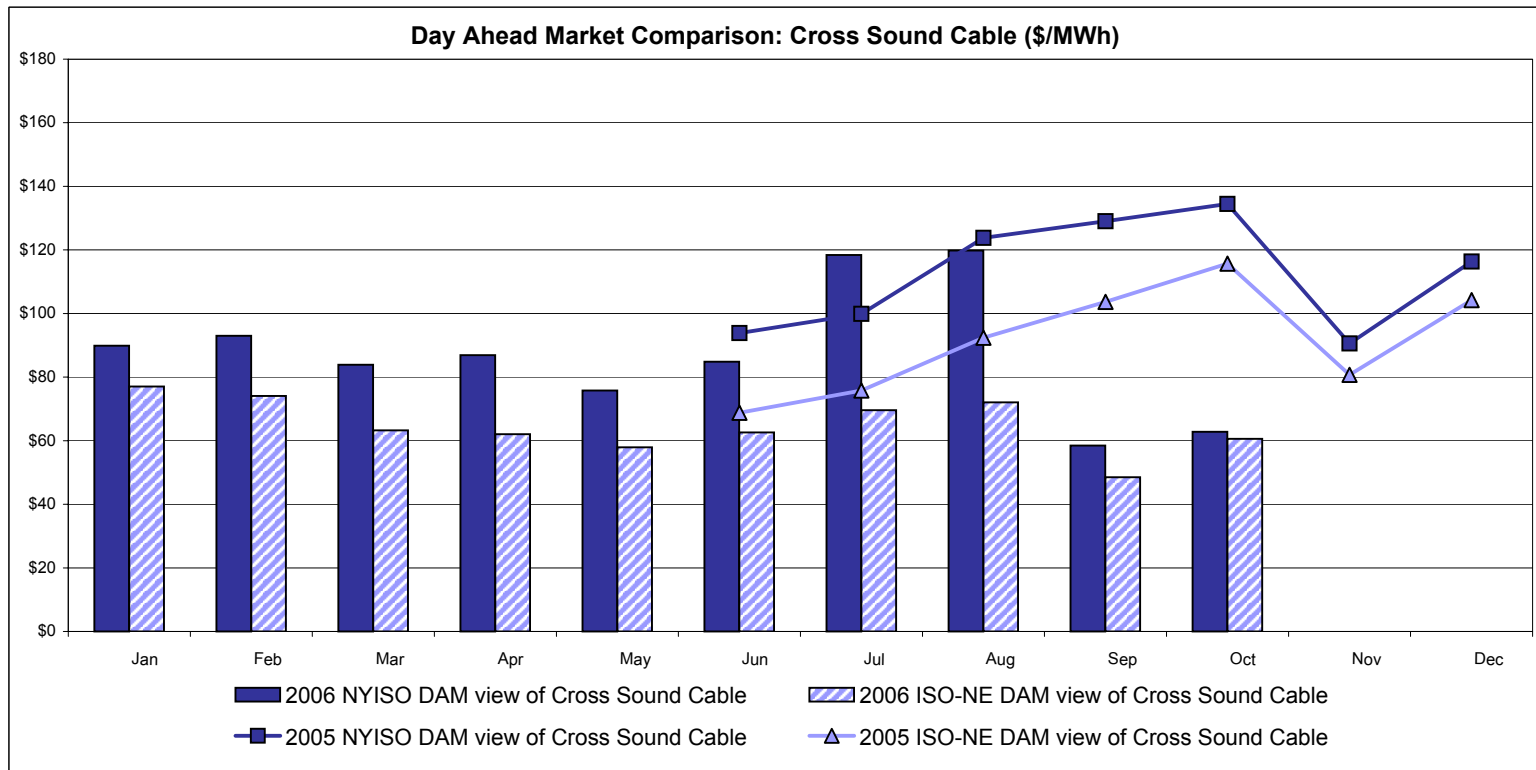
External Comparison Ontario IESO*



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

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

External Controllable Line: Cross Sound Cable (New England)



Note:

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

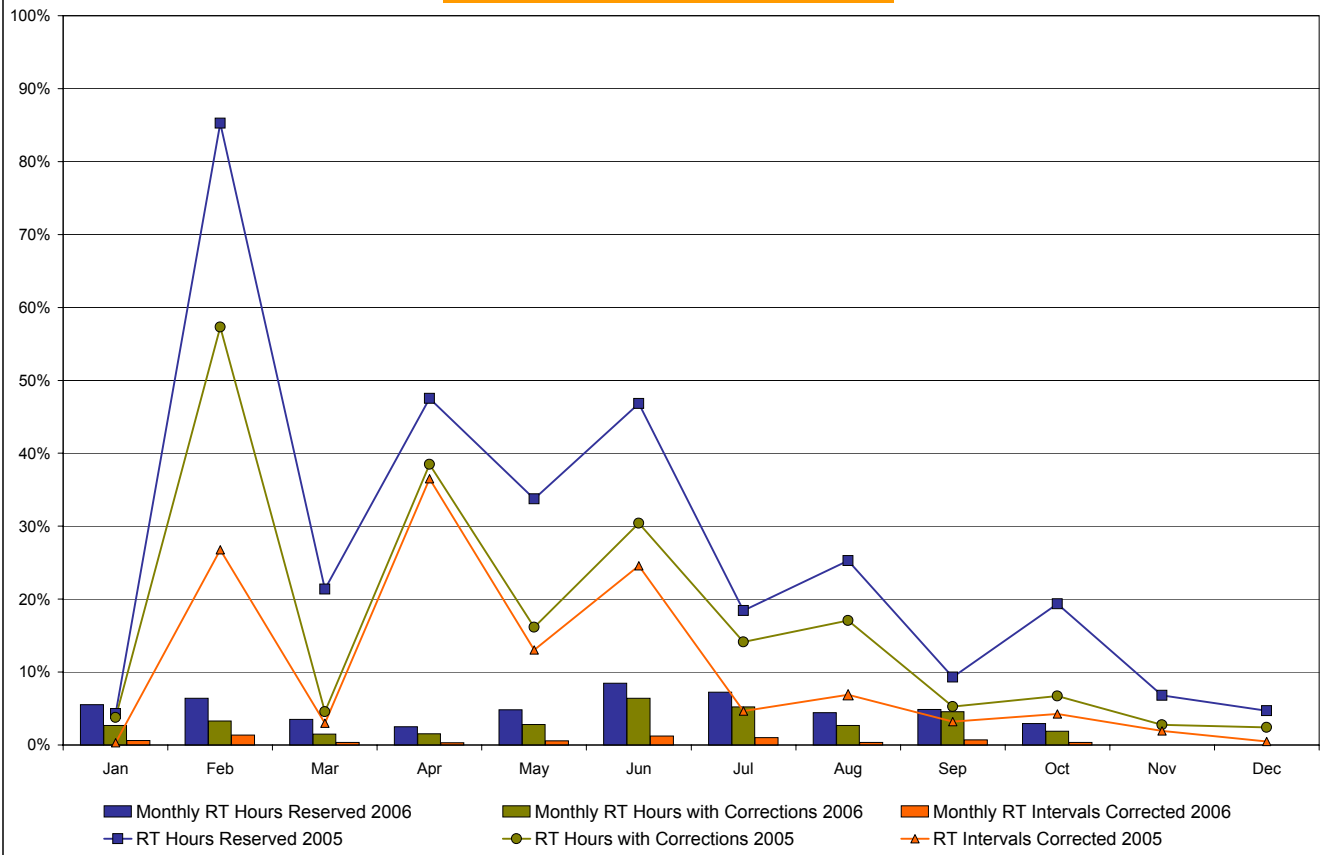
* Referred to as RTC beginning February 2005.
 Prior to February 2005 known as BME or Hour Ahead Market (HAM).

NYISO Real Time Price Correction Statistics

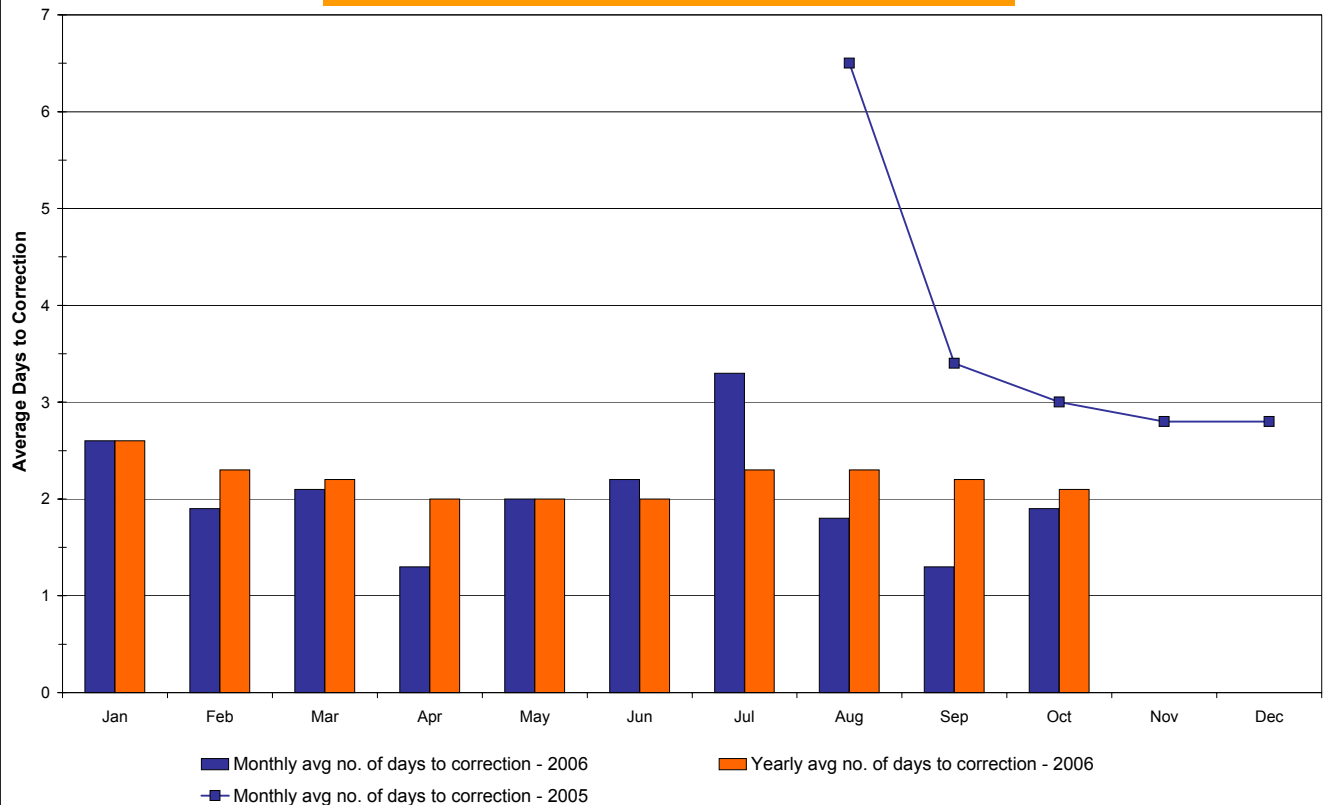
2006		<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
<u>Hour Corrections</u>													
Number of hours with corrections	in the month	20	22	11	11	21	46	39	20	33	14		
Number of hours	in the month	744	672	744	720	744	720	744	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%		
% 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%		
<u>Interval Corrections</u>													
Number of intervals corrected	in the month	54	112	33	27	51	107	92	31	63	30		
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		
% 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%		
% 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%		
<u>Hours Reserved</u>													
Number of hours reserved	in the month	41	43	26	18	36	61	54	33	35	22		
Number of hours	in the month	744	672	744	720	744	720	744	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%		
% 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%		
<u>Days to Correction *</u>													
Avg. number of days to correction	in the month	2.6	1.9	2.1	1.3	2.0	2.2	3.3	1.8	1.3	1.9		
Avg. number of days to correction	year-to-date	2.6	2.3	2.2	2.0	2.0	2.0	2.3	2.3	2.2	2.1		
<u>Days Without Corrections</u>													
Days without corrections	in the month	19	18	24	20	21	15	13	20	20	23		
Days without corrections	year-to-date	19	37	61	81	102	117	130	150	170	193		
2005		<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
<u>Hour Corrections</u>													
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%
<u>Interval Corrections</u>													
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%
<u>Hours Reserved</u>													
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%
<u>Days to Correction *</u>													
Avg. number of days to correction	in the month	-	-	-	-	-	-	-	6.5	3.4	3.0	2.8	2.8
Avg. number of days to correction	year-to-date	-	-	-	-	-	-	-	-	-	-	-	-
<u>Days Without Corrections</u>													
Days without corrections	in the month	12	4	16	3	4	4	6	6	17	17	22	19
Days without corrections	year-to-date	12	16	32	35	39	43	49	55	72	89	111	130

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

Percentage of Real-Time Corrections

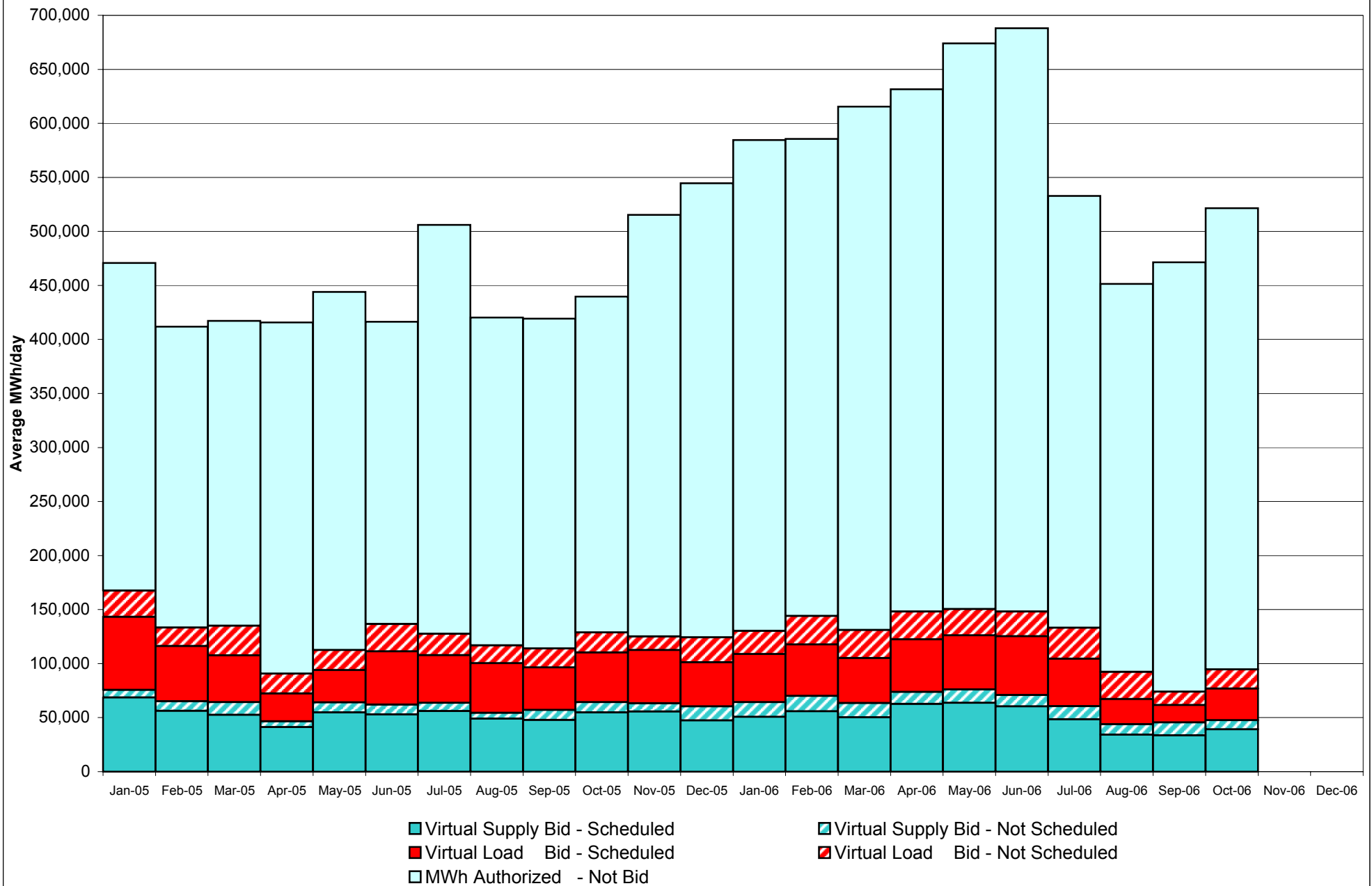


Annual average time period for making Price Corrections (from reservation date) *

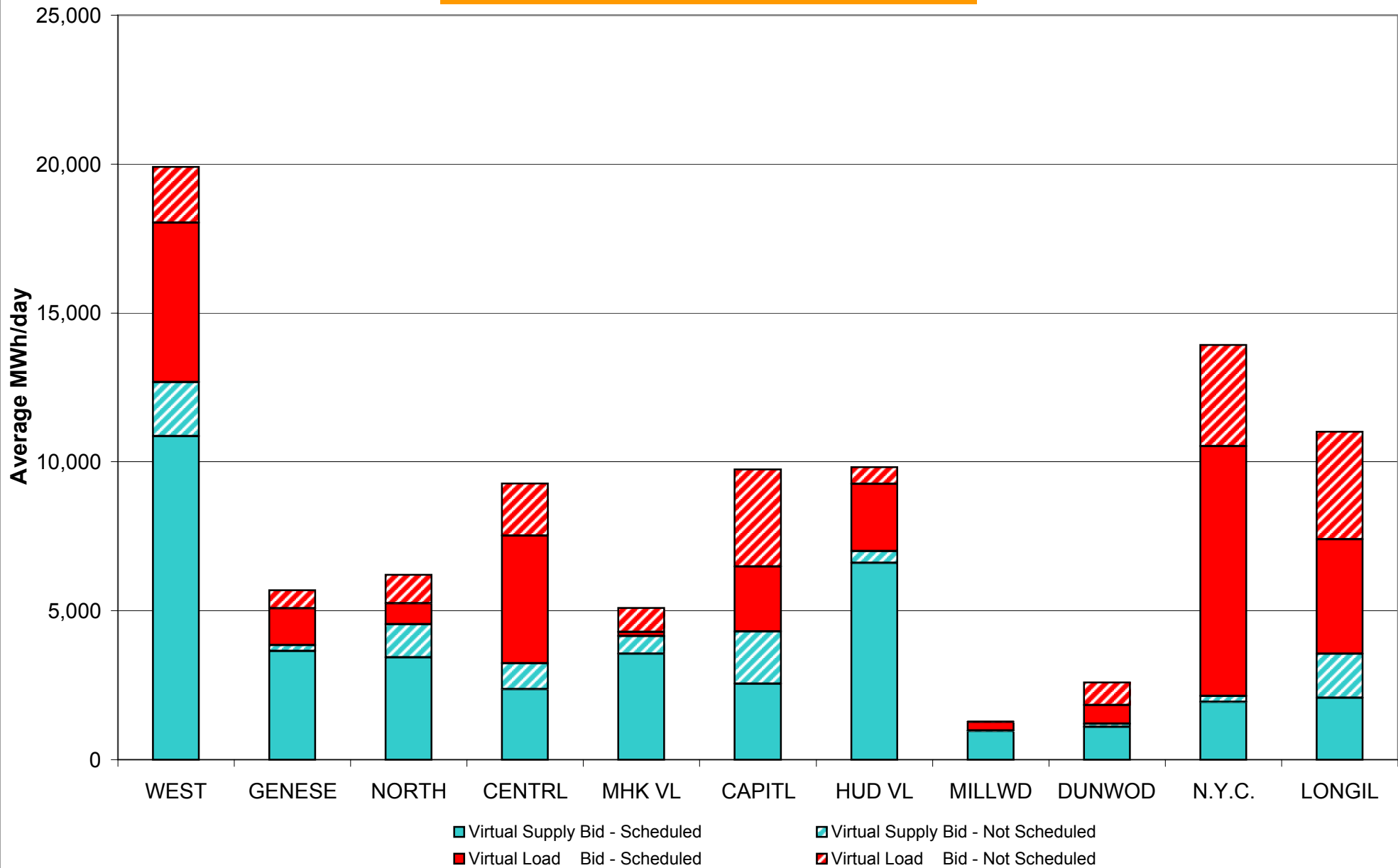


* Calendar days from reservation date. Data available from August 2005.

NYISO Virtual Trading Average MWh per day



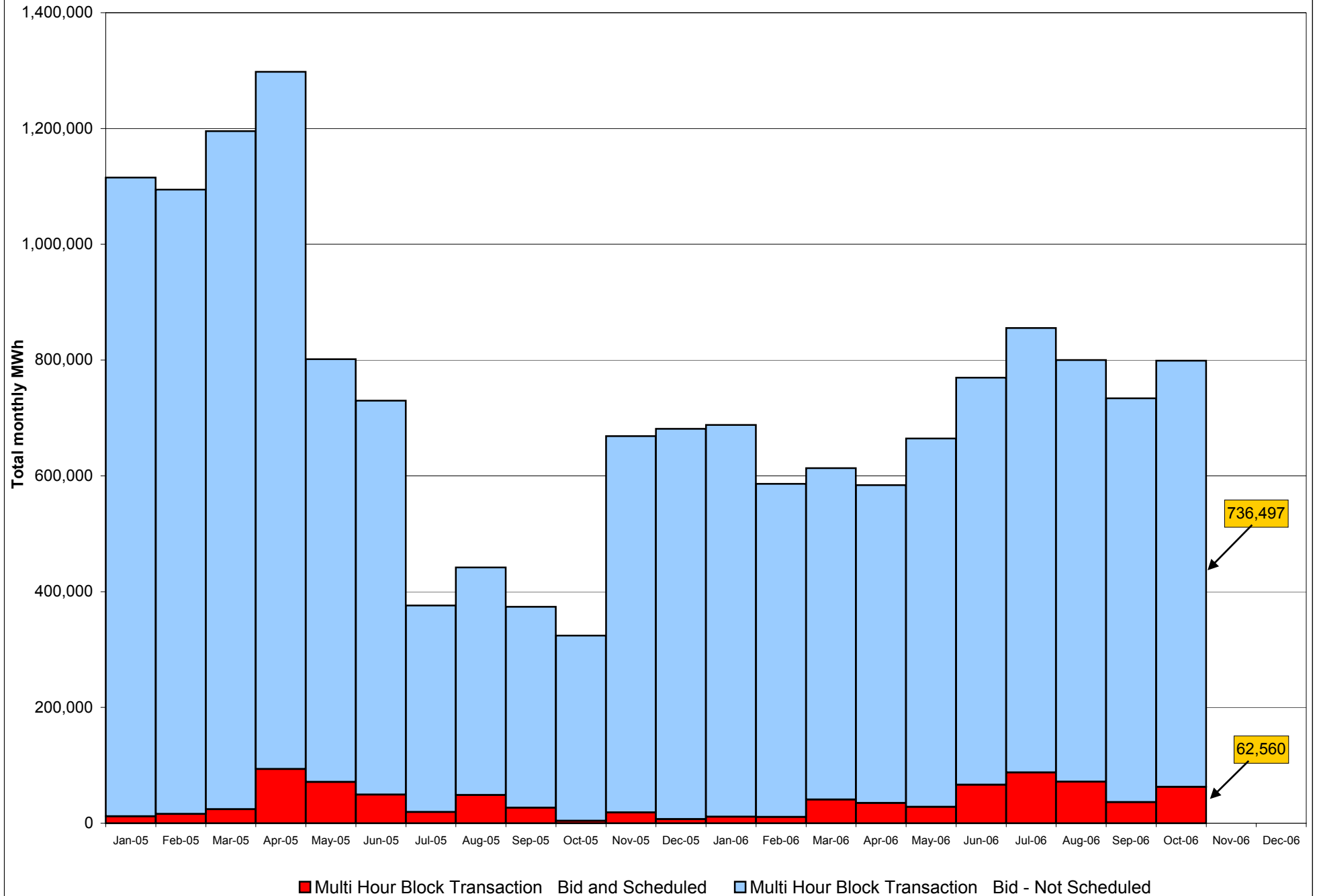
Virtual Load and Supply Zonal Statistics October 2006



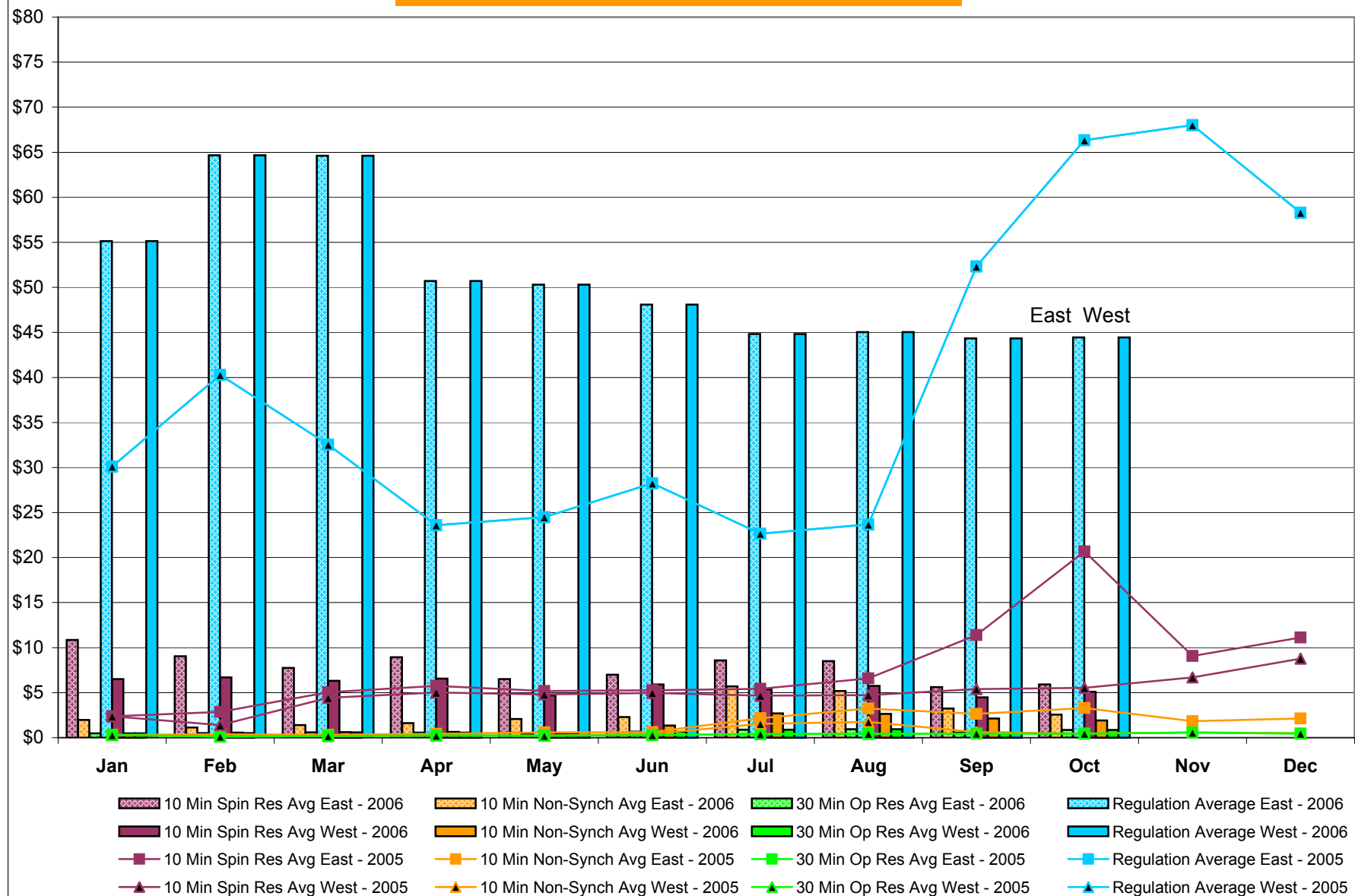
Virtual Load and Supply Zonal Statistics (Average MWh/day) - 2006

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	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		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		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		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		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		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		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		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		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		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		Oct-06	635	757	1,099	101
	Nov-06						Nov-06						Nov-06						Nov-06				
	Dec-06						Dec-06						Dec-06						Dec-06				
GENESE	Jan-06	1,831	708	6,806	73	CAPITL	Jan-06	3,624	1,646	1,192	48	N.Y.C.	Jan-06	19,500	4,668	1,330	3,334		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		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		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		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		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		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		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		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		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		Oct-06	8,378	3,412	1,940	201
	Nov-06						Nov-06						Nov-06						Nov-06				
	Dec-06						Dec-06						Dec-06						Dec-06				
NORTH	Jan-06	262	22	5,961	1,658	HUD VL	Jan-06	2,086	2,026	8,595	1,717	LONGIL	Jan-06	8,207	6,064	1,091	1,891		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		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		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		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		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		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		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		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		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		Oct-06	3,852	3,616	2,078	1,471
	Nov-06						Nov-06						Nov-06						Nov-06				
	Dec-06						Dec-06						Dec-06						Dec-06				
CENTRL	Jan-06	713	28	3,870	103	MILLWD	Jan-06	1,531	2,596	1,065	11	NYISO	Jan-06	44,436	21,609	50,671	13,639		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		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		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		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		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		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		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		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		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		Oct-06	29,333	17,612	39,088	8,512
	Nov-06						Nov-06						Nov-06						Nov-06				
	Dec-06						Dec-06						Dec-06						Dec-06				

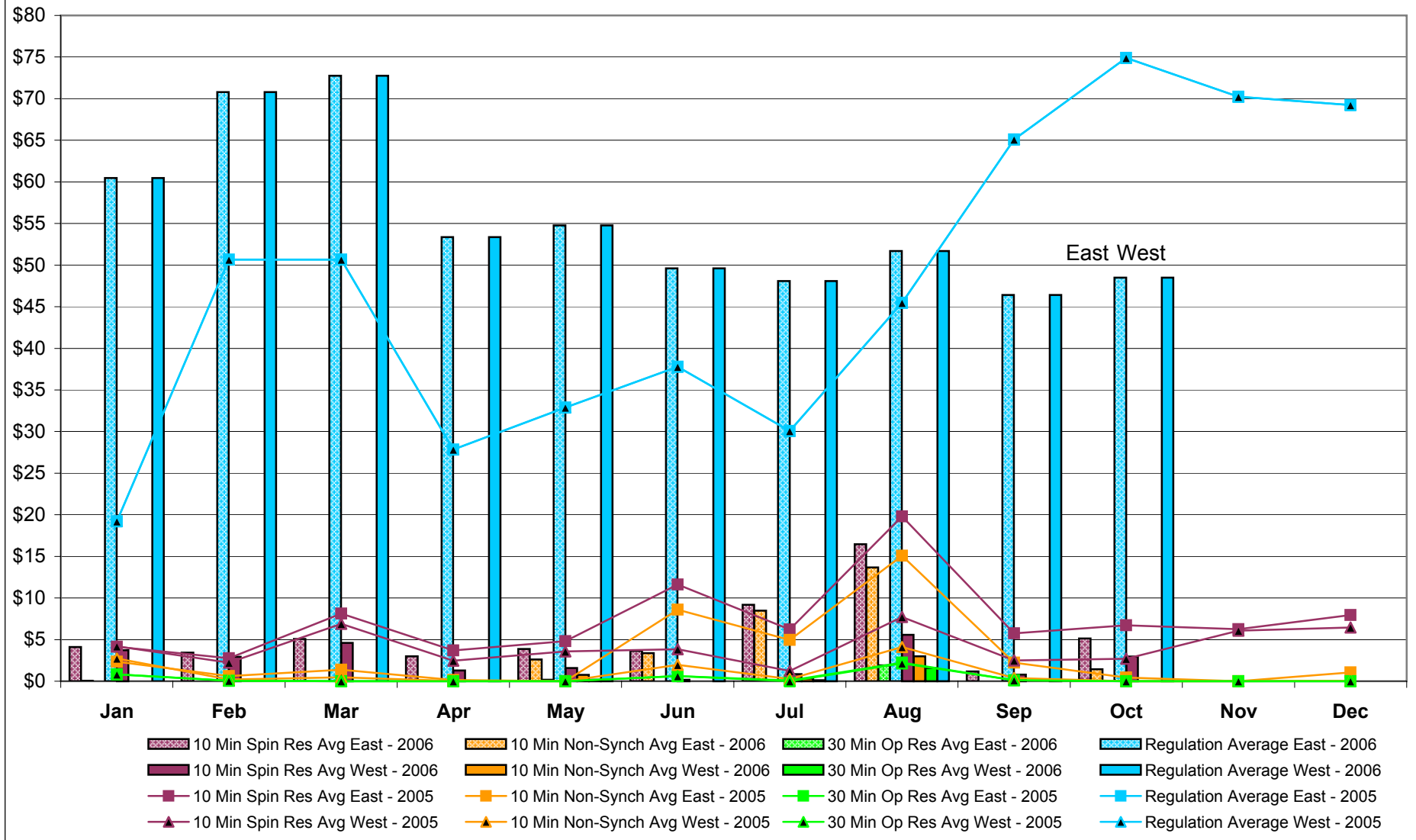
NYISO Multi Hour Block Transactions Monthly Total MWh



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

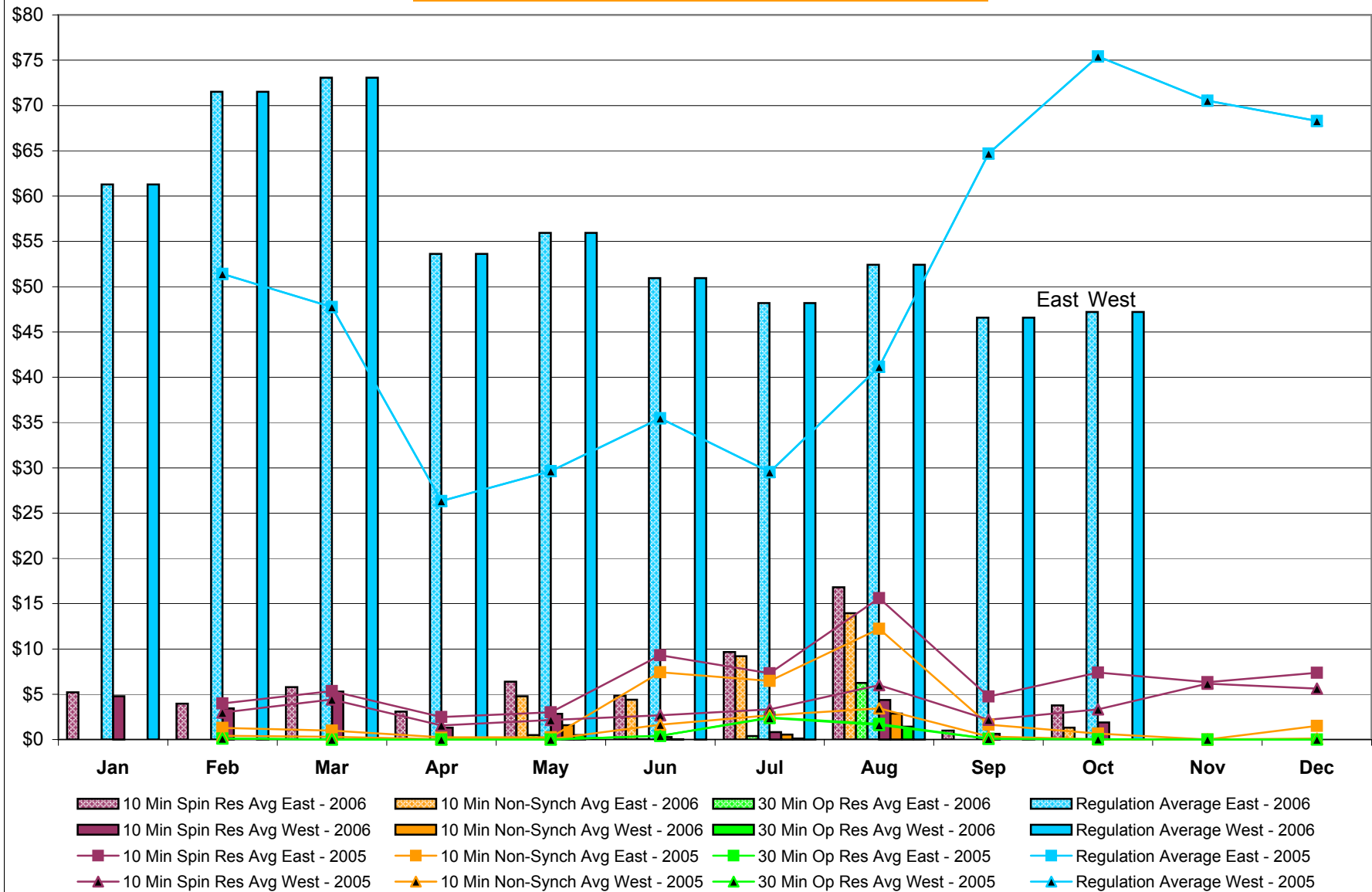


NYISO Monthly Average Ancillary Service Prices RTC* Market 2005 - 2006



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

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



* The Real Time Ancillary Market began in February 2005

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

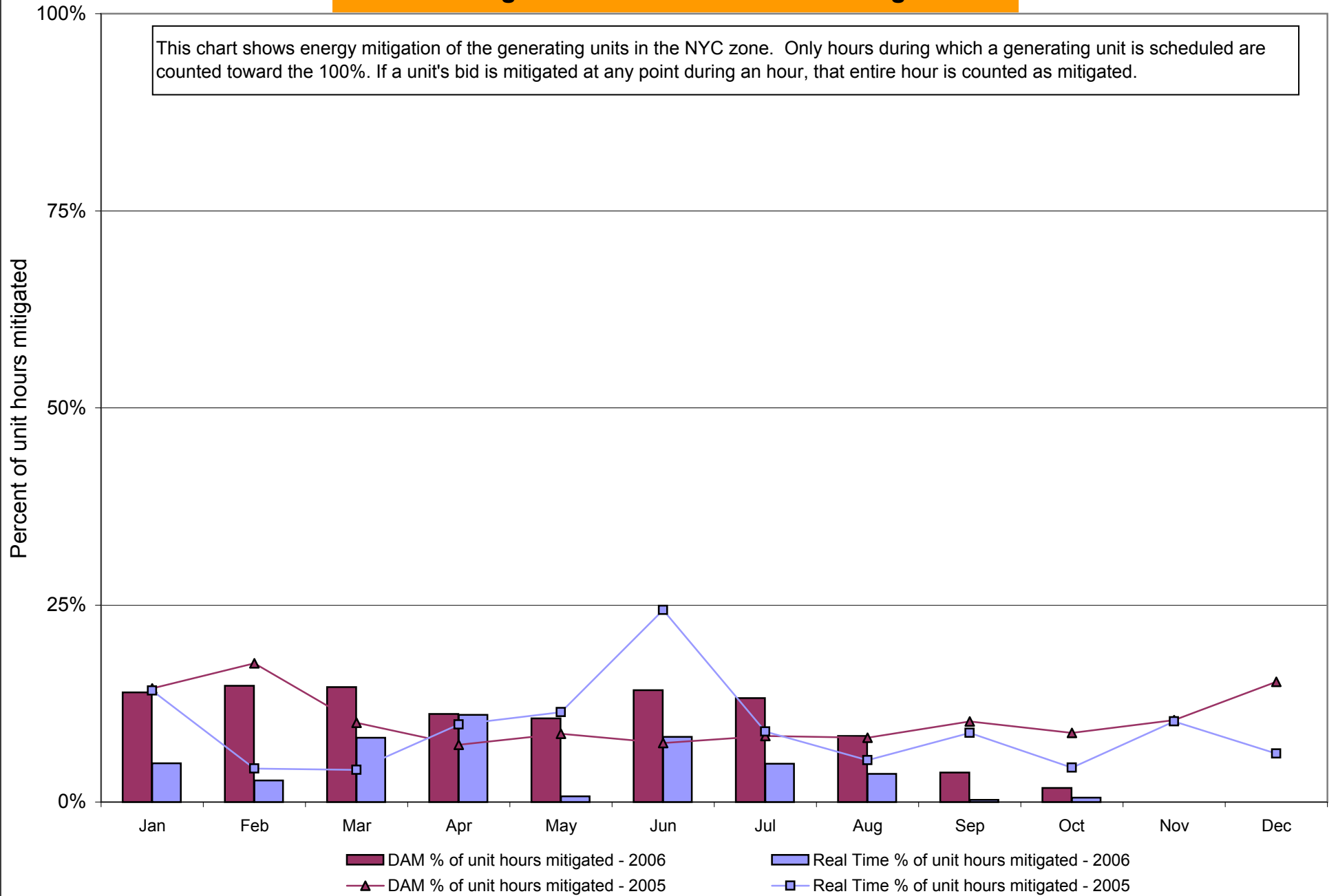
2006	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
<u>Day Ahead Market</u>												
10 Min Spin East	10.86	9.06	7.76	8.94	6.52	6.98	8.60	8.50	5.62	5.90		
10 Min Spin West	6.50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

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

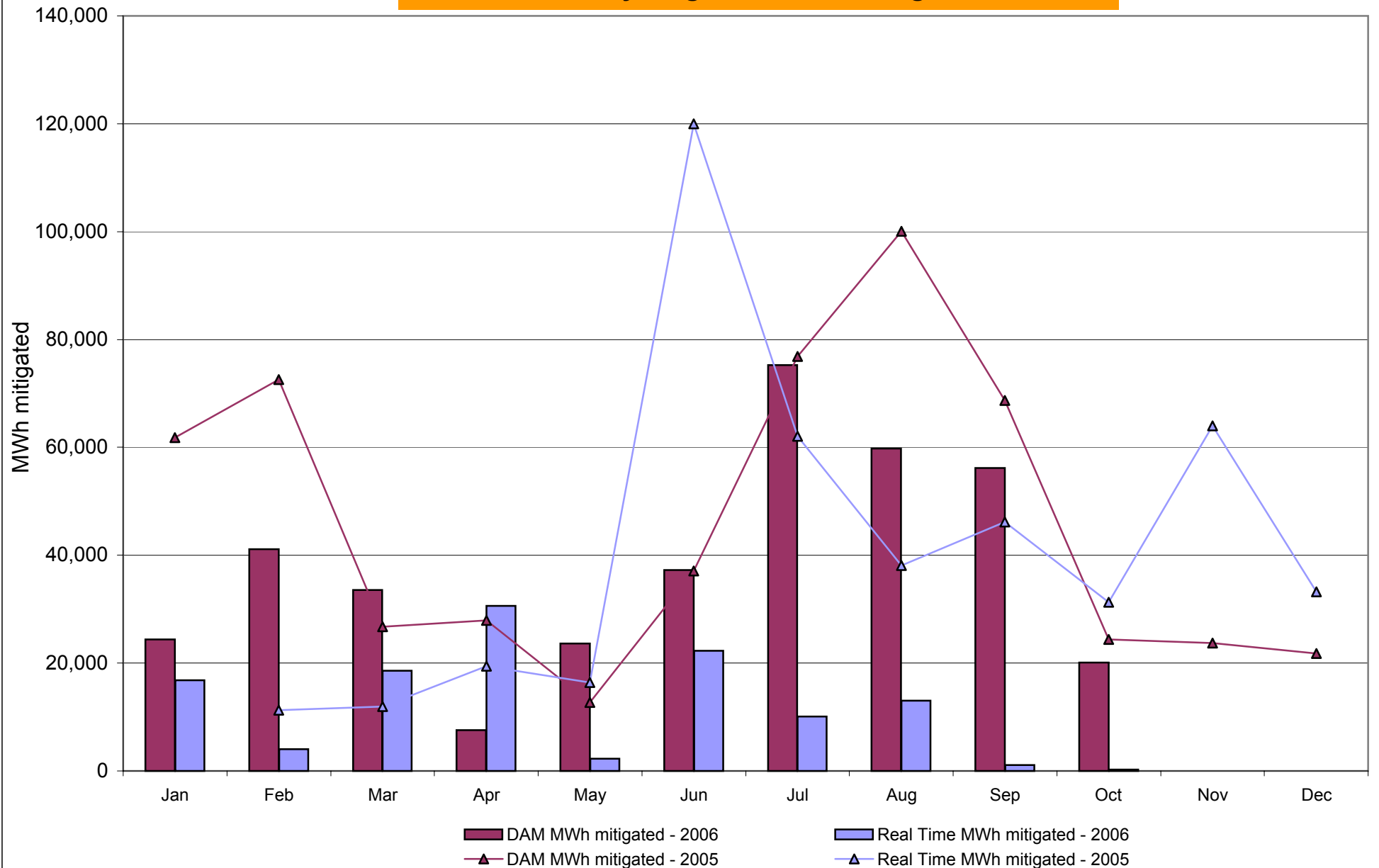
** The Real Time Ancillary Market began in February 2005.

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

Percentage of committed unit-hours mitigated

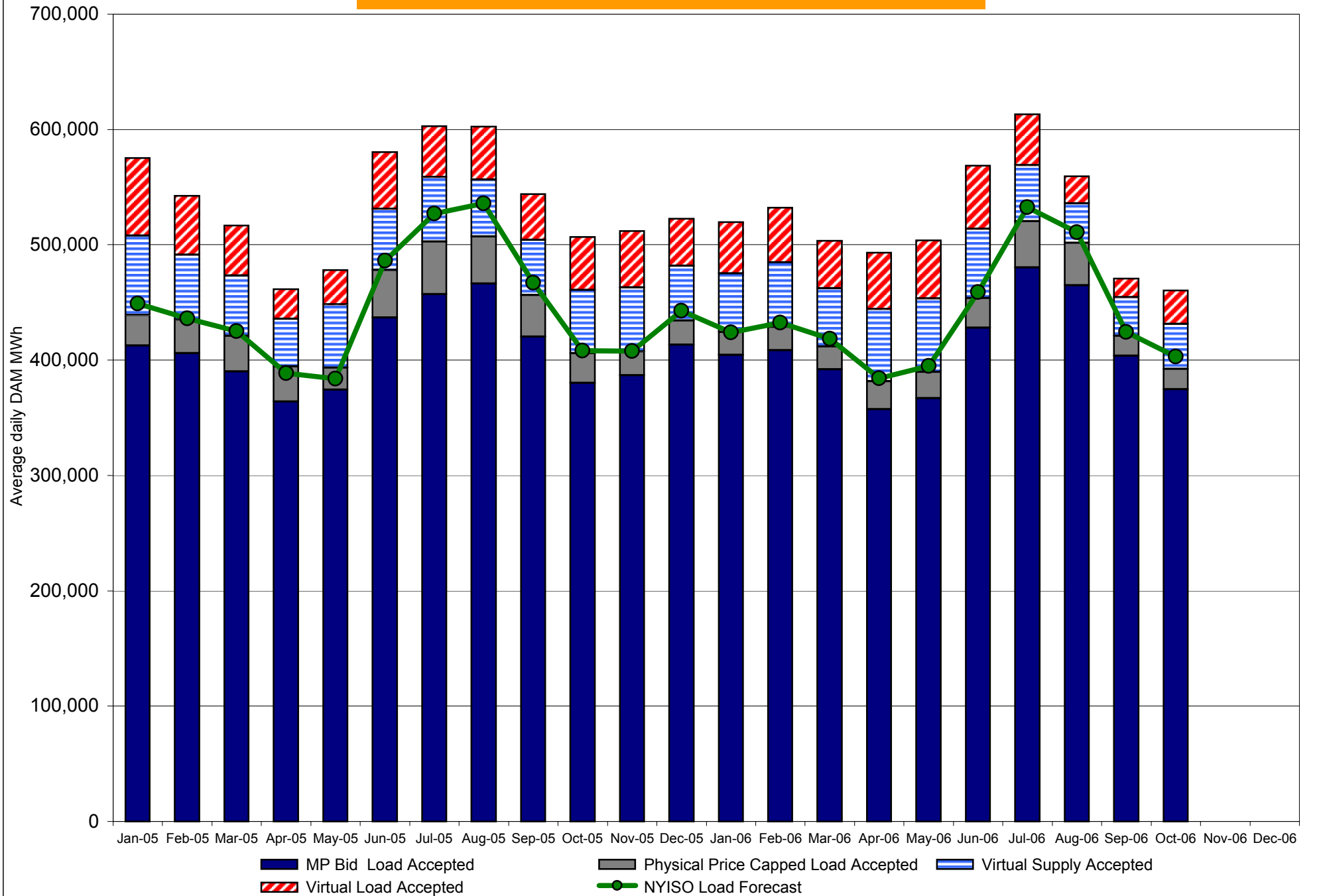


NYISO In City Energy Mitigation (NYC Zone) 2005-2006 **Monthly megawatt hours mitigated**

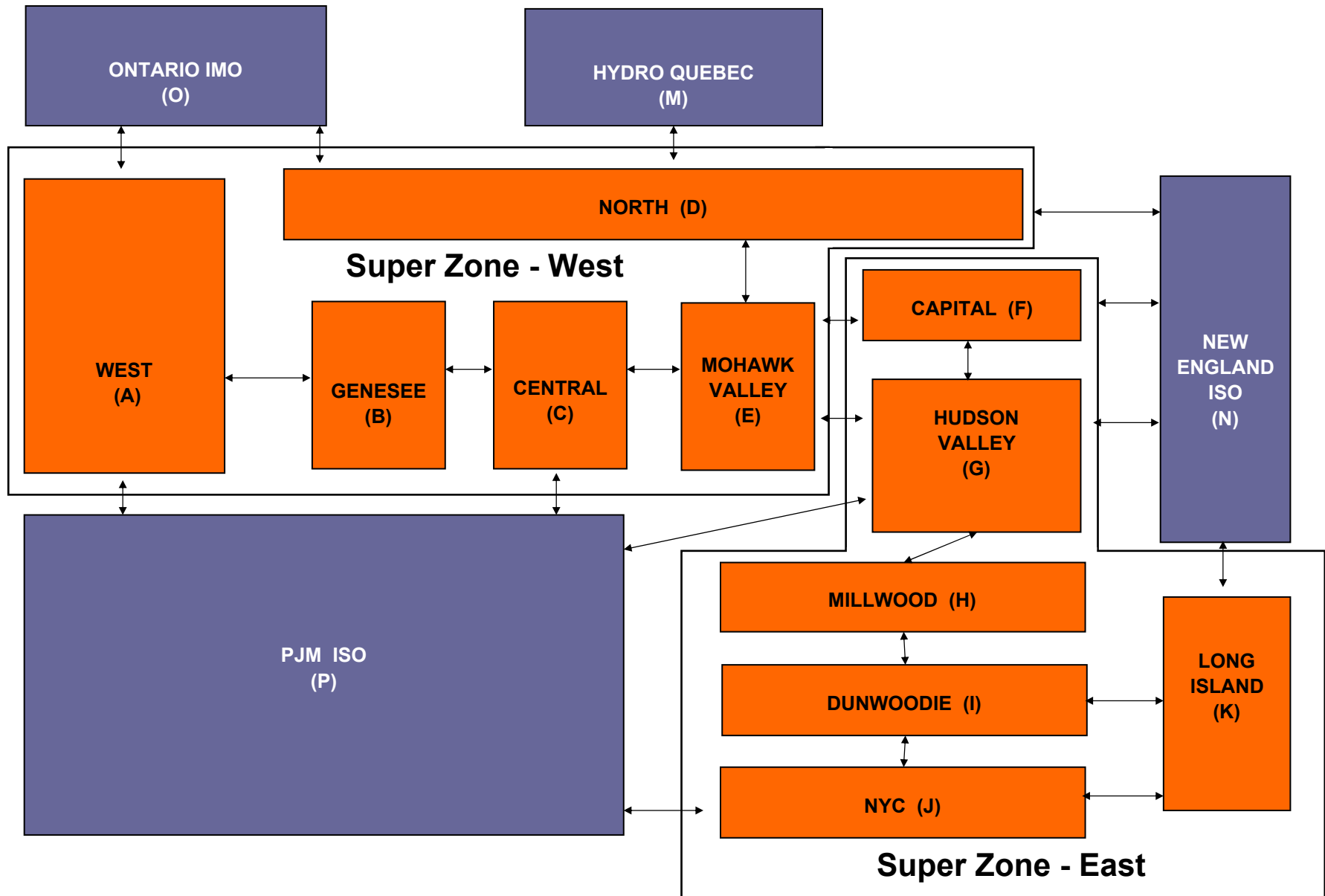


RT mitigation data available with SMD2 deployment in February 2005.

NYISO Average Daily DAM Load Bid Summary



NYISO LBMP ZONES

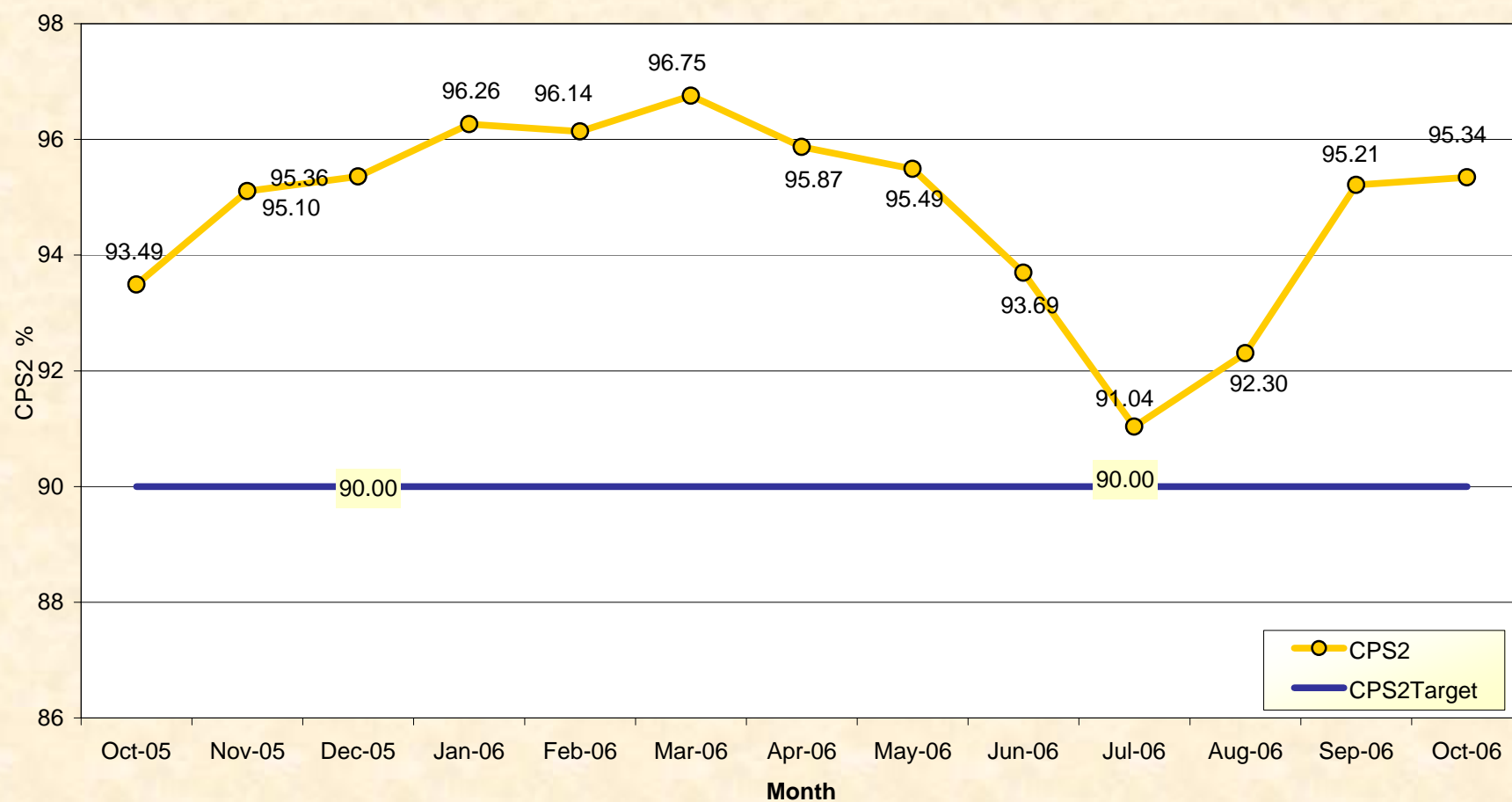


Billing Codes for Chart 4-C

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

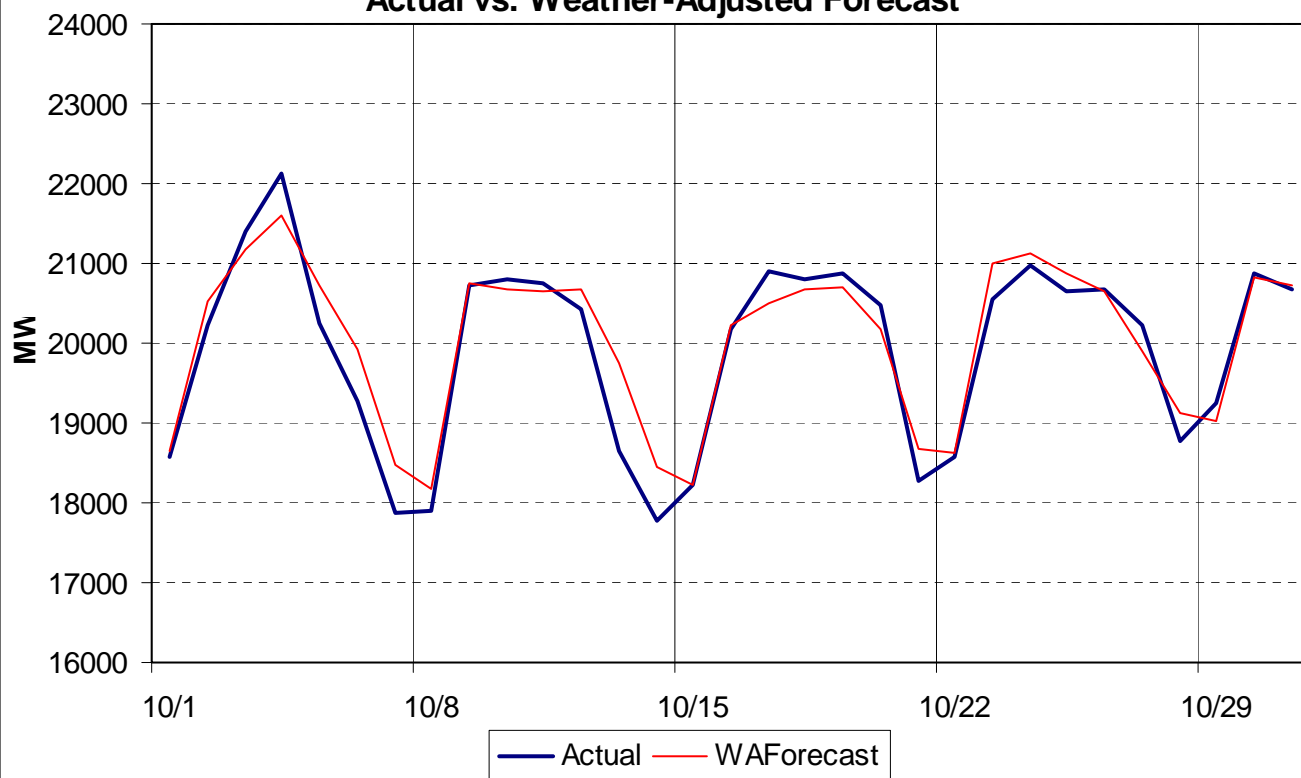
NERC Control Performance Standard

NYISO Compliance
Year 2005/2006

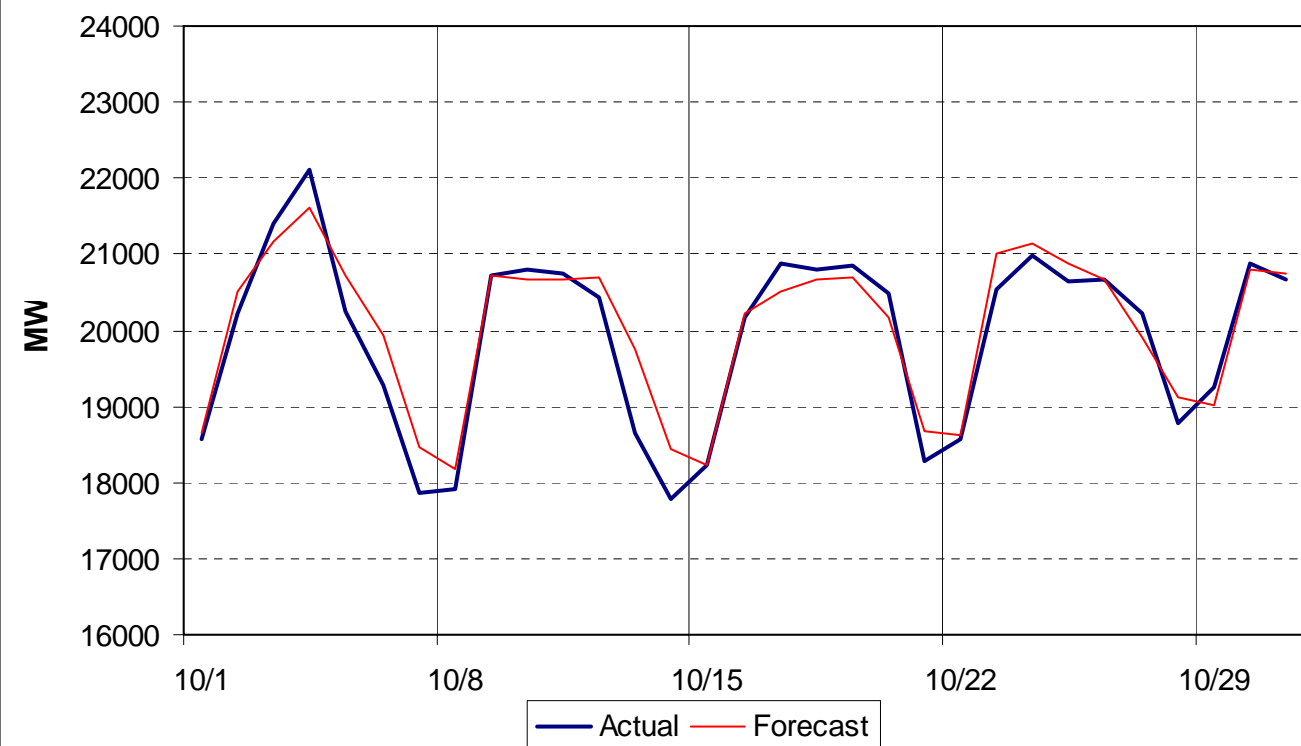


CPS2 for October= 95.34% Compliance Threshold = 90%
CPS2 measures excessive unscheduled power flow resulting from large Area Control Error (ACE)

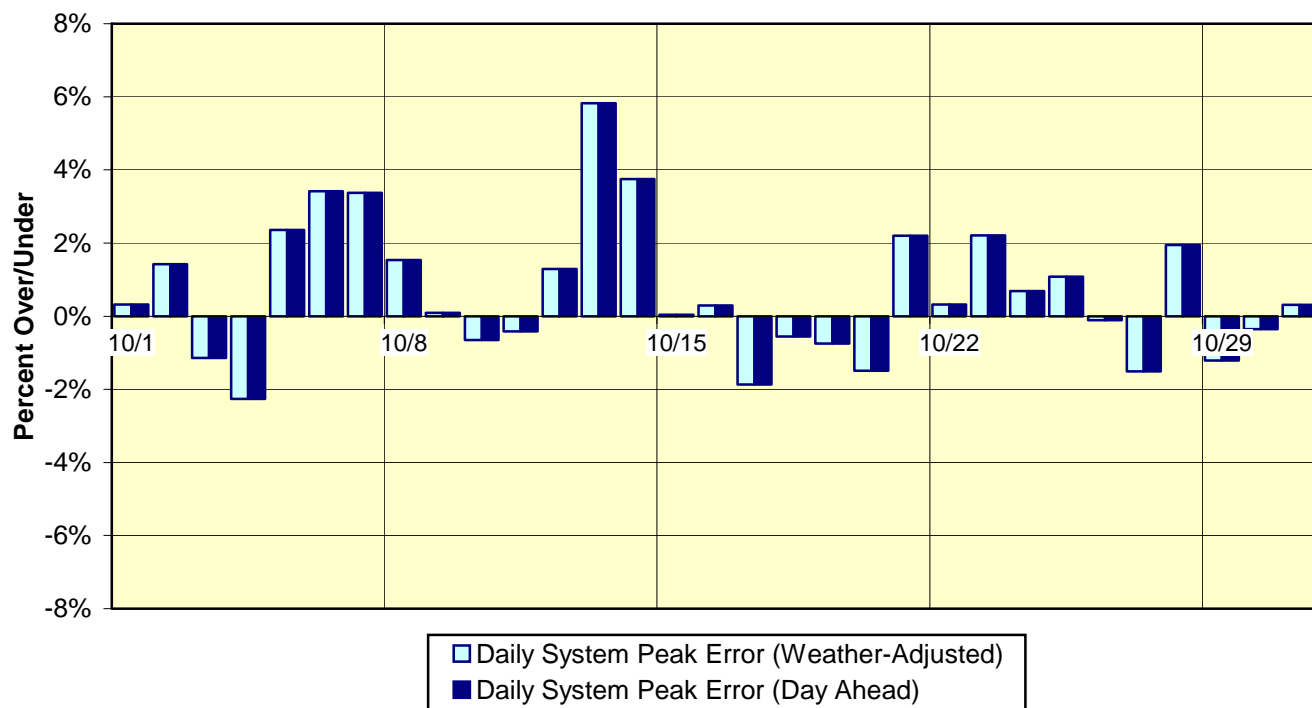
NYISO Daily Peak Load - October 2006
Actual vs. Weather-Adjusted Forecast



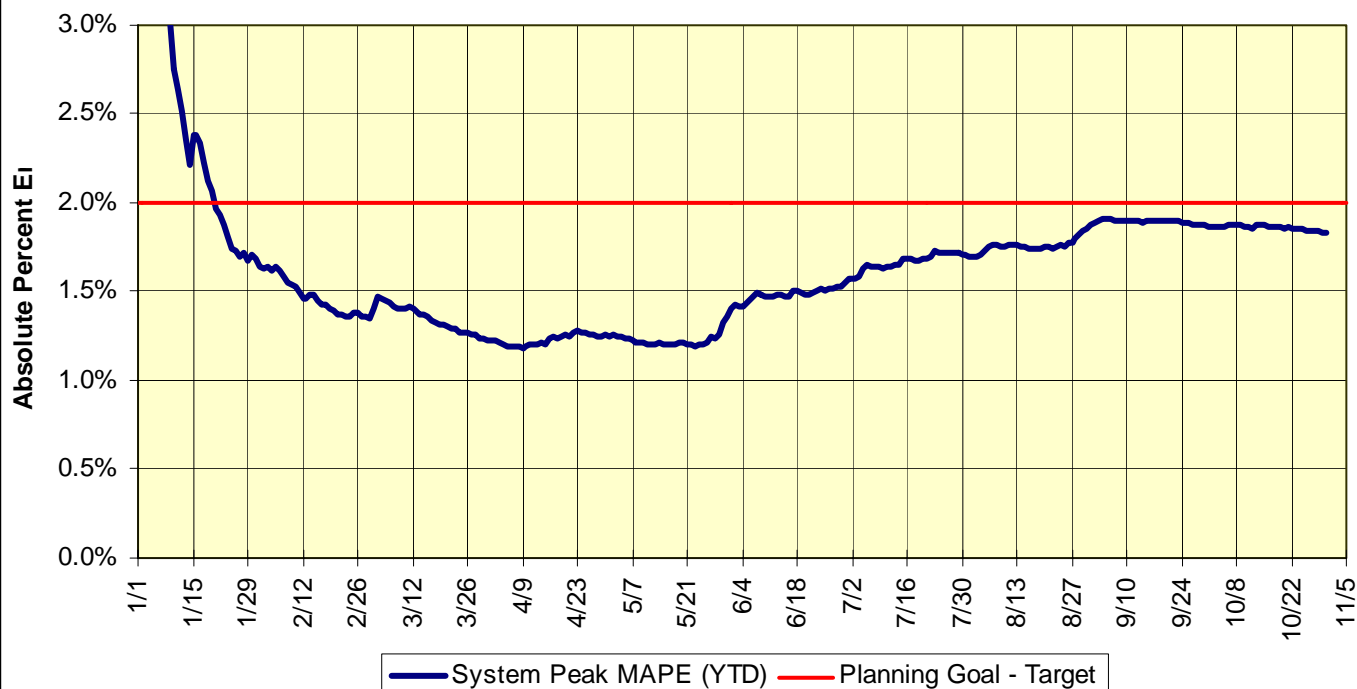
NYISO Daily Peak Load - October 2006
Actual vs. Forecast



Day-Ahead Forecast **Daily Forecast Errors of System Peak** **October 2006**



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



DETAIL RESULTS

	ANNUAL AMOUNTS				YTD AMOUNTS AS OF 9/30/06		
<u>Cost Category</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	\$ 20.9	\$ (0.1)	\$ 14.4	\$ 10.9	\$ (3.5)
Salaries & Benefits	\$ 50.3	\$ 49.3	\$ 46.1	\$ (3.2)	\$ 37.0	\$ 34.4	\$ (2.6)
Professional Fees (including Legal)	\$ 26.6	\$ 29.2	\$ 31.2	\$ 2.0	\$ 21.9	\$ 20.3	\$ (1.6)
Building Services	\$ 4.4	\$ 4.4	\$ 4.7	\$ 0.3	\$ 3.3	\$ 3.3	\$ -
Computer Services	\$ 10.5	\$ 10.5	\$ 13.0	\$ 2.5	\$ 7.9	\$ 8.2	\$ 0.3
Insurance	\$ 4.6	\$ 4.6	\$ 3.6	\$ (1.0)	\$ 3.5	\$ 2.8	\$ (0.7)
Telecommunications	\$ 5.1	\$ 5.1	\$ 4.8	\$ (0.3)	\$ 3.8	\$ 3.4	\$ (0.4)
Other Expenses (BOD, Travel/Trng, NPCC Fees)	\$ 6.1	\$ 6.0	\$ 5.6	\$ (0.4)	\$ 4.6	\$ 3.8	\$ (0.8)
Current Year Needs (excluding FERC Fees)	\$ 130.0	\$ 130.1	\$ 129.9	\$ (0.2)	\$ 96.4	\$ 87.1	\$ (9.3)
Debt Service from Prior Year Financings	\$ 31.5	\$ 31.2	\$ 31.0	\$ (0.2)	\$ 23.5	\$ 23.4	\$ (0.1)
Cash Budget (excluding FERC Fees)	\$ 161.5	\$ 161.3	\$ 160.9	\$ (0.4)	\$ 119.9	\$ 110.5	\$ (9.4)
Less: Miscellaneous Revenues	\$ (2.5)	\$ (2.5)	\$ (4.8)	\$ (2.3)	\$ (2.0)	\$ (3.4)	\$ (1.4)
Less: Proceeds from 2006 Budget Debt	\$ (28.0)	\$ (15.5)	\$ (15.5)	\$ -	\$ (10.0)	\$ (10.0)	\$ -
Less: Proceeds from 2005 budget underrun and 2004/05 load overcollections	\$ -	\$ (12.5)	\$ (12.5)	\$ -	\$ (9.4)	\$ (9.4)	\$ -
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)	\$ 0.2	\$ 0.1	\$ (0.1)
Add: Interest on Renovations Debt	\$ 0.4	\$ 0.4	\$ 0.1	\$ (0.3)	\$ 0.2	\$ -	\$ (0.2)
Net Budget Needs (excluding FERC Fees)	\$ 123.2	\$ 123.2	\$ 120.0	\$ (3.2)	\$ 98.9	\$ 87.8	\$ (11.1)
FERC Fees	\$ 9.9	\$ 9.9	\$ 7.8	\$ (2.1)	\$ 7.4	\$ 5.8	\$ (1.6)
Rate Schedule #1 Revenue Requirement	\$ 133.1	\$ 133.1	\$ 127.8	\$ (5.3)	\$ 106.3	\$ 93.6	\$ (12.7)

Description		Status and Milestone Deliverables
Energy Marketplace Product Enhancements		
A767	MIS Enhancements: Comprehensive Bid Management System	<p>Status: This project is in the requirements and technical design phase. Detailed requirements definition for first two (2) functional areas (Load Bidding and Virtual Bidding) is nearly complete. Technical design of the core infrastructure (security framework) and initial bidding capabilities is underway. The first in a series of technical conferences has been held with Market Participants as part of project communication plan. The first deliverable was deployed successfully on August 8, 2006, incorporating enhanced security capabilities for the MIS Administrator functions.</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 phase for the first deliverable, and the detailed requirements phase for the second deliverable. The fourth iteration of Phase 1 has completed on schedule, but two (2) additional iterations have been added to Phase 1 in order to accommodate revised development estimates for required functionality.</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 into 2007.</p>
A769	Enhanced Scheduling of Combined Cycle Units	<p>Status: NYISO staff has been working closely with owners of combined cycle plants to determine realistic solutions to solve known operational problems. Team is also monitoring developments in other markets (e.g. PJM) where attempts to provide solutions for combined cycle plants have not produced desired results. Certain incremental improvements already implemented in the NYISO have improved bidding flexibility and management of these units. General agreement has been reached on the part of NYISO staff and MPs that a comprehensive modeling solution is neither required, nor practical at this time.</p> <p>Deliverables: While the NYISO remains convinced that a comprehensive solution to the combined-cycle unit commitment and dispatch problem is too significant a challenge to undertake at this time, it has improved efficiencies for combined cycle unit owners within the current commitment and dispatch model and is committed to completing its evaluation of system architecture improvements discussed above. The NYISO has also worked with Market Participants to eliminate persistent under-generation charges during start-up, shutdown, and transition periods. In addition, the NYISO also intends to continue working with its Market Participants to design any other incremental improvements that may be made to the existing commitment and dispatch software.</p>

Description		Status and Milestone Deliverables
A706	Intra-Hour Transaction Scheduling (ITS)	<p>Status: This project is in the concept development phase. Concept and design work will continue in 2006; development progress will be dictated by various factors including, regulatory process, technical feasibility, and resource constraints. Progress has been significantly slowed by limitations on the part of ISO-NE to support further development.</p> <p>Deliverables: In 2005, the NYISO conducted a pilot project to assess the ability to evaluate and schedule intra-hour transactions and to identify any operational issues with scheduling. Additional work in 2006 will be based on the outcome of the pilot program; however, it is not expected that any significant software will be completed in 2006.</p>
TBD	Wind Forecasting	<p>Status: This project is in the concept development phase. Concept and design will continue in 2006; development progress will be dictated by various factors including; regulatory process, technical feasibility, and resources. Preliminary requirements documentation has been developed and reviewed internally.</p> <p>Deliverables: Design and implementation of the required forecasting systems that would be necessary to efficiently and reliably manage the introduction of significant amounts of intermittent energy sources in New York.</p>
A848	Real-Time BPCG Mitigation	<p>Status: This project is in the Quality Assurance and testing phases. Software deployments in August will permit the correct calculation of BPCG in settlements going back to February 2005. Software to automate these functions on a daily, going-forward basis (originally scheduled to be deployed in October), has encountered problems in design that will require re-work and re-test. Current schedules, dependent on successful testing, are targeting a January deployment, which is consistent with FERC commitments. Software to correct SRE / OOM mitigation during unconstrained periods in New York City was successfully deployed, on schedule, in October.</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>
Auxiliary Market Product Enhancements		
A543	ICAP Market Automation – Phase I	<p>Status: Software to automate the ICAP auction processes was deployed into production in late March and activated in April to conduct the Summer strip auction. No significant problems were encountered and the preliminary assessment is that the implementation was a success. Certain follow-up enhancements have been identified and are being scheduled.</p> <p>Deliverable: An automated application to run the ICAP market, also implementing a security model for single sign-on. Allow Market Participants to place bids and offers via the web or upload templates, execute the monthly and strip auctions, perform certification, run the spot auction and post the results and bills.</p>

Description		Status and Milestone Deliverables
TBD	ICAP Auction Automation – Phase II	<p>Status: This project is in a preliminary planning phase and may formally be initiated late in 2006, following the successful deployment of phase 1 and subsequent post-deployment review of ICAP market operations. Resource constraints and priority considerations may cause this phase to be deferred into 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.</p>
TBD	Demand Response for Ancillary Services	<p>Status: This project is starting the requirements phase. Initial planning and requirements development is underway; development is expected to initiate sometime later this year, with implementation in 2007. A draft functional requirements document has been produced and is being circulated internally for review.</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		
A541	TCC Auction Automation – Phase I	<p>Status: Software to automate the awards processes for the TCC auctions was deployed to production in late June following a successful market trial in May. No significant problems were encountered and the preliminary assessment is that the implementation was a success.</p> <p>Deliverables: This project will take a phased approach to fully automate the TCC auction and data validation processes. The Awards processing is the planned first phase deliverable. Following phases will address the database and Bidding functions required to fully automate the auction processes.</p>
TBD	TCC Auction Automation – Phase II & III	<p>Status: This project is in a preliminary planning and requirements phase. The NYISO engaged Nexant to facilitate a detailed requirement and scope development process that would help define the deliverables for phase 2 and 3. This work has also included consideration of other future market enhancement needs in the requirements definition, and potential inclusion for future phases. The report from that exercise was used to develop a project budget, and detailed project schedule, for TCC Auction Automation in 2007.</p> <p>Deliverables: Following the implementation of the first phase of the TCC Auction Automation software project, following phases will deliver the Database and Bidding functionality required to fully automate the TCC markets.</p>
Operations and Reliability Product Enhancements		
A770	Outage Schedule Reporting	<p>Status: This project is in a preliminary planning phase and is tentatively planned to be formally initiated in 2006. Addition of new quality and process control projects may delay the launch of this project. Resource constraints and priority considerations may cause this phase to be deferred into 2007.</p> <p>Deliverables: As part of the SMD2 project, the Outage Scheduling software was moved entirely to the Ranger system for both Scheduling and Operations to provide consistency. However, the processes of creating the Outage Schedule reports remains on a secondary database. The creation of the required reports will be ported to the RANGER system.</p>

Description		Status and Milestone Deliverables
A843	Integration of OOM and SRE Applications	<p>Status: This project is in a preliminary planning phase and is tentatively planned to be formally initiated in 2006. Addition of new quality and process control projects may delay the launch of this project. Resource constraints and priority considerations may cause this phase to be deferred into 2007.</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>
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. 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>
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>
A862	Controllable Tie Line Additions: Project Neptune Line	<p>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.</p> <p>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.</p>

Description		Status and Milestone Deliverables
Financial Service Product Enhancements		
A845	BAS Replacement / Billing Engine	<p>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 will be in first quarter of 2007. Data center migration plans that are part of the new facility project may introduce additional delays.</p> <p>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.</p>
TBD	BAS Replacement / Web Based Reconciliation Replacement	<p>Status: This project is in the preliminary scoping and requirements phase. A technical conference has been held with Market Participants to ensure capture of the highest priority features needed in the new application. The schedule for this project (originally targeted to start in 2007) has been accelerated into 2006 in order to meet Market Participant expectations.</p> <p>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.</p>
A836	Automation of Voltage Support Service (VSS) Payments	<p>Status: Software to automate the calculation of the Voltage Support Service was successfully deployed to production on May 9, 2006. This project is completed.</p> <p>Deliverables: Automation of a manual settlements' process. This effort is part of a larger effort to reduce and / or eliminate the need to perform manual billing adjustments on customer invoices. Opportunities will be explored through the year to determine additional automation features that can be implemented, and those projects will be individually presented as they are launched.</p>

Description		Status and Milestone Deliverables
Business Intelligence Product Enhancements		
A849	DSS Pricing and Operational Data Mart	<p>Status: This project has completed the requirements and design phases and has entered the development phase. Project activities are slightly off schedule due to moderate scope expansion (from original concept budget and schedule) in order to meet requirements presented by Billing and Price Correction Task Force. Internal technical deployments will be feasible during 2006, but Market Participant deliveries of the functionality (originally scheduled for 3rd or 4th quarter of 2006) will not be made until early 2007. Sarbanes-Oxley limitations on 4th quarter software deployments are partly driving decisions to defer implementation until 2007.</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>
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 4th floor of the new Head Quarters facility. Construction activities are nearing completion for the staff spaces on the 2nd and 3rd floors, with additional staff relocations scheduled for November. Detailed planning for the data center migration is underway. 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.</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. During 2006, this facility would replace the current NYISO locations at Washington Avenue, Wolf Road, and Western Turnpike.</p>

NYISO REGULATORY FILINGS – October 2006

Oct. 2, 2006	Third party filing of a motion to intervene in NYISO's 9/5/06 informational filing regarding real-time guarantee payments (ER06-185-002)
Oct. 10, 2006	Third party protest of NYISO's 9/15/06 eighth quarterly report on combined cycle modeling filing (ER04-230-006, ER01-3155-006, ER01-1385-015, EL01-45-014)
Oct. 12, 2006	Third party protest of NYISO's 9/5/26 and 9/21/06 real-time guarantee payment filing (ER06-185-003)
Oct. 13, 2006	NYISO joint filing with ISO/RTO Council filing of answer in response to Georgia System Operations 10/2/06 comments (RR06-1-002)
Oct. 16, 2006	NYISO compliance filing regarding the netting bilaterals project status report (ER03-552-013, ER03-984-011)
Oct. 16, 2006	NYISO filing of a motion to defer FERC action regarding the North American Electric Reliability Council 2007 budget (RR06-3-000)
Oct. 17, 2006	NYISO filing of a response to third party protests regarding its 9/5/06 filing request for limited tariff waiver (ER06-185-002)
Oct. 23, 2006	NYISO filing of a request for privileged treatment of real-time guarantee payment mitigation details for April 2005 (ER06-185-004)
Oct. 24, 2006	NYISO filing of a request for limited temporary tariff waiver regarding a discrepancy between the NYISO's settlement software and its OATT concerning the allocation of operating reserves costs (EL07-99-000)
Oct. 26, 2006	Joint NYISO, PJM and PSE&G filing of an unopposed motion for an extension to the filing deadline regarding a status report concerning protocol performance (EL02-23-008/009/010/011)
Oct. 27, 2006	NYISO compliance filing regarding changes to the small generator interconnection procedures (RM02-12-000, ER06-311-001)
Oct. 27, 2006	NYISO filing of a response to PSEG's protest of NYISO's eighth quarterly report concerning modeling of combined cycle units (ER04-230-006, ER01-3155-006, ER01-1385-015, EL01-45-014)
Oct. 27, 2006	NYISO filing of a compliance status report regarding the method for allocating Import Rights to external Installed Capacity (EL06-72-001)

Oct. 27, 2006 NYISO filing of a response to NRG's protest of its 9/5/06 initial informational filing and request for limited tariff waiver and its 9/21/06 request for privileged treatment of real-time guarantee payment mitigation details for March 2005 (ER06-185-002 and 003)

This list is current as of 10:26 A.M. November 3, 2006.

FERC ORDERS – OCTOBER 2006

- Oct. 2, 2006 FERC order denying rehearing and accepting a NYISO compliance filing to remove the sunset provision from Services Tariff Rate Schedule 2 concerning Voltage Support Service
(EL06-57-001/002 and ER06-291-002/003)
- Oct. 6, 2006 FERC order addressing NYISO's compliance filing and status report regarding the Netting Bilaterals project and directing the proceeding to Dispute Resolution Service to address third party protests
(ER03-552-012, ER03-984-010)
- Oct. 11, 2006 FERC letter order accepting for informational purposes NYISO's 6/1/06 semi-annual demand response compliance report
(ER01-3001-015)
- Oct. 12, 2006 FERC letter order accepting NYISO's 8/28/06 compliance report detailing revisions to the ICAP Manual designed to improve the transparency of the external ICAP import rights allocations procedures
(EL06-72-002)
- Oct. 13, 2006 FERC letter order accepting NYISO's 7/17/06 compliance filing regarding the correct effective date for sheets concerning large generator interconnection procedures
(ER06-506-004)
- Oct. 16, 2006 FERC letter order accepting NYISO's 9/18/06 errata filing regarding the review, challenge and correction of customer settlement information
(ER06-783-003)
- Oct. 23, 2006 FERC order accepting NYISO's 1/3/06 compliance report on the implementation of ICAP demand curves
(ER03-647-008)
- Oct. 25, 2006 FERC order instituting inquiries into gas-electric coordination issues by ISOs and RTOs to examine whether scheduling and compensation mechanisms need to be revised to ensure the availability of natural gas to serve gas-fired generators
(EL07-5-000)
- Oct. 31, 2006 FERC notice granting NYISO and PSEG an extension of time until 1/19/07 to file an updated status report regarding protocol performance
(EL02-23-008/009/010/011)
- Oct. 31, 2006 FERC letter order accepting revised tariff sheets regarding compensation to qualified non-generator voltage support resources that supply voltage support service
(ER06-1466-000)

This list is current as of 3:17 P.M. November 1, 2006.