



Monthly Report

February 2007

Rana Mukerji

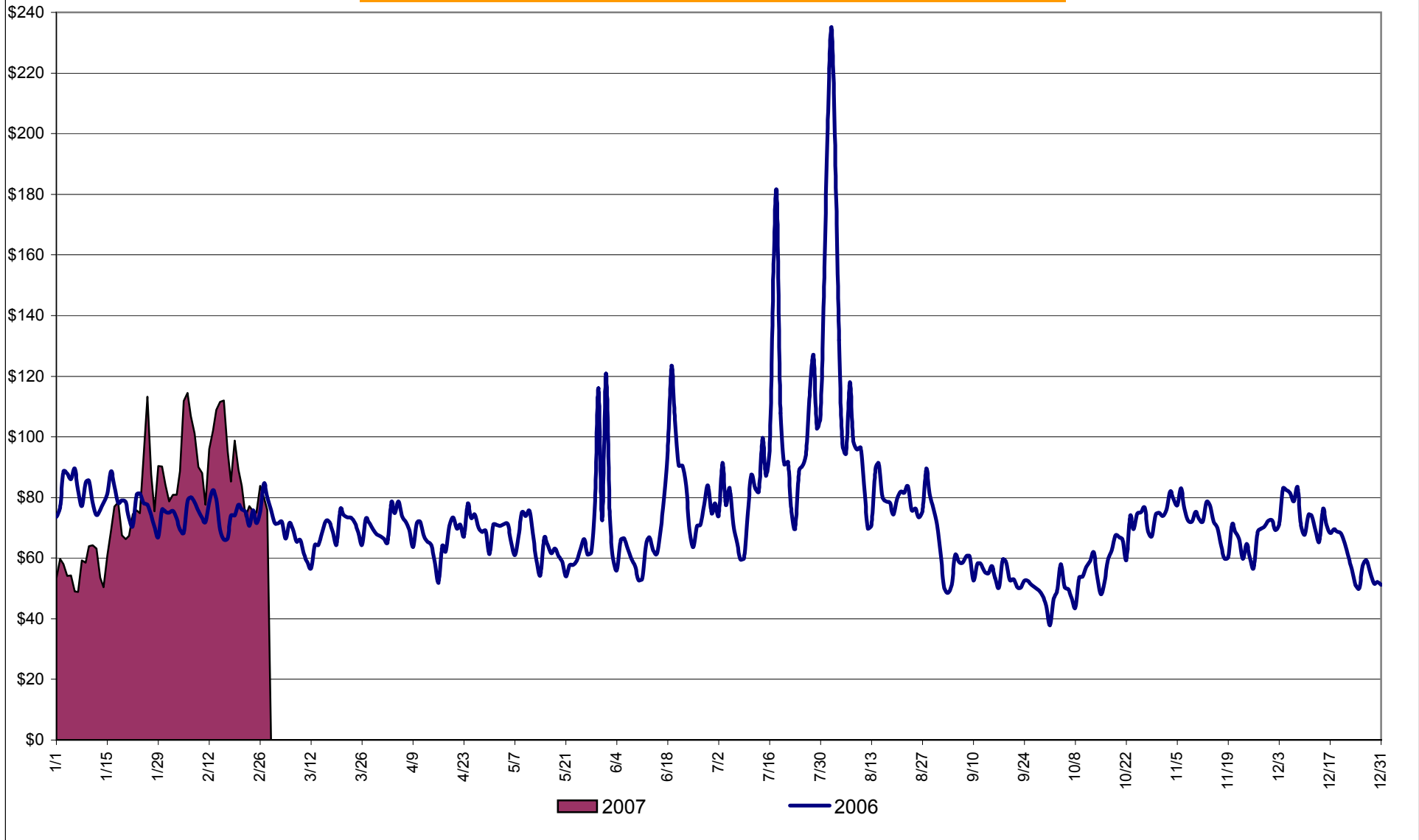
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Market Performance Highlights for February 2007

- LBMP for February is \$89.14/MWh, up from \$67.23/MWh in January 2007.
 - Average monthly cost is \$92.29/MWh, up from \$70.57/MWh in January 2007.
 - Day Ahead and Real Time LBMPs have increased from January 2007.
- Average daily sendout is 471GWh/day in February, up from 449GWh/day in January 2007 and up from 444GWh/day in February 2006.
- Fuel prices are up this month and Natural Gas is up 45% from last month.
 - Kerosene is \$13.31/mmBTU, up from \$12.56/mmBTU in January.
 - No. 2 Fuel Oil is \$12.09/mmBTU, up from \$10.81/mmBTU in January.
 - No. 6 Fuel Oil is \$8.16/mmBTU, up from \$6.76/mmBTU in January.
 - Natural Gas is \$12.72/mmBTU, up from \$8.81/mmBTU in January.
- Uplift is flat this month relative to January 2007.
 - Uplift (not including NYISO cost of operations) is \$0.88/MWh, down from \$1.00/MWh in January 2007.
 - Total uplift (Schedule 1 components including NYISO Cost of Operations) decreased from \$23.8 million in January 2007 to \$21.4 million in February 2007.

Daily NYISO Average Cost/MWh (Energy & Ancillary Services)*
2006 Annual Average \$76.45/MWh
February 2006 YTD Average \$77.40/MWh
February 2007 YTD Average \$81.65/MWh



* Excludes ICAP payments.

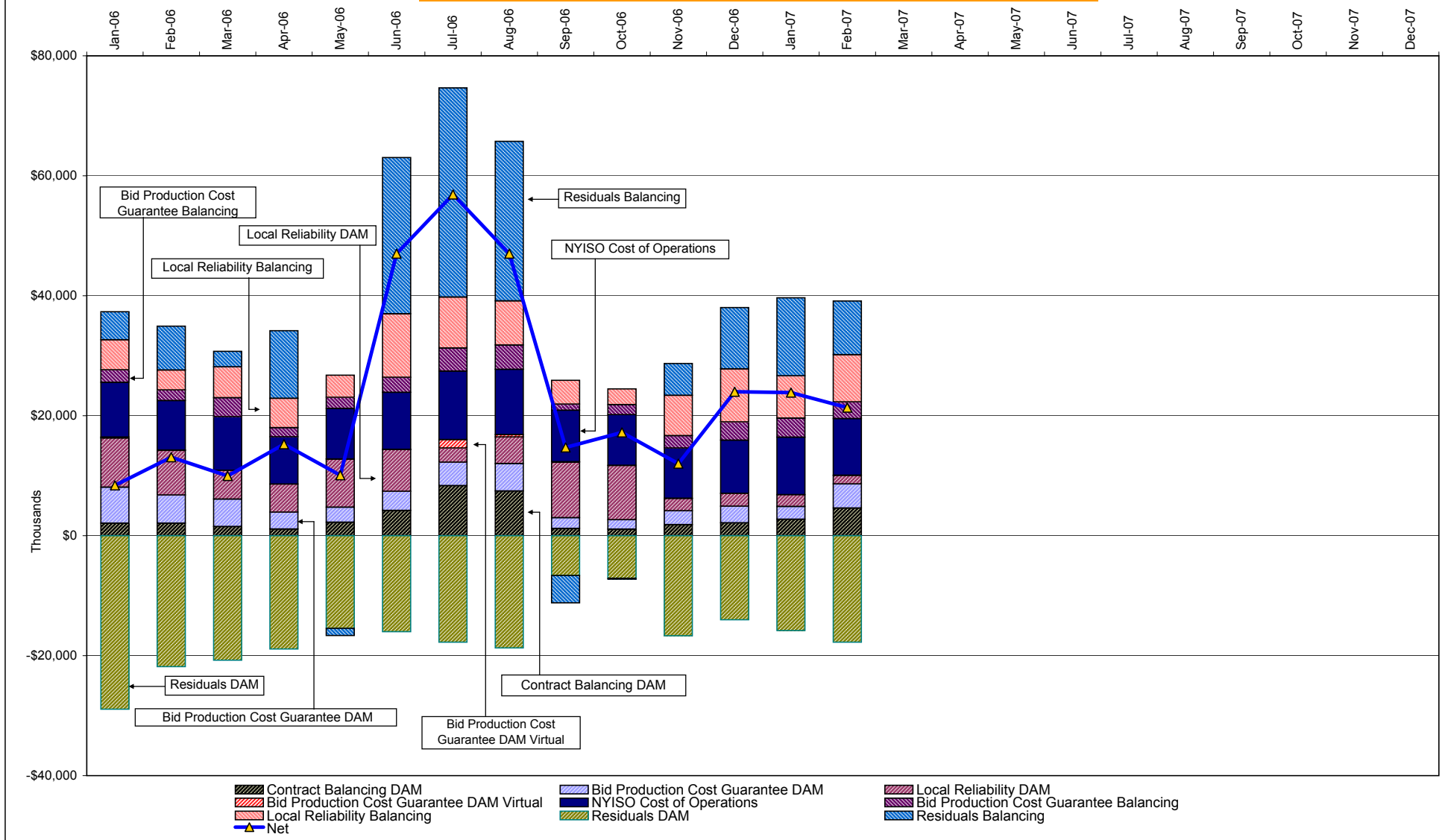
NYISO Average Cost/MWh (Energy and Ancillary Services) *
from the LBMP Customer point of view

| 2007 | <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 | 67.23 | 89.14 | | | | | | | | | | |
| NTAC | 0.46 | 0.56 | | | | | | | | | | |
| Reserve | 0.43 | 0.23 | | | | | | | | | | |
| Regulation | 0.46 | 0.47 | | | | | | | | | | |
| NYISO Cost of Operations | 0.66 | 0.66 | | | | | | | | | | |
| Uplift | 1.00 | 0.88 | | | | | | | | | | |
| Voltage Support and Black Start | <u>0.34</u> | <u>0.34</u> | | | | | | | | | | |
| Avg Monthly Cost | 70.57 | 92.29 | | | | | | | | | | |
| Avg YTD Cost | 70.57 | 81.65 | | | | | | | | | | |
| <hr/> | | | | | | | | | | | | |
| 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 | <u>0.36</u> | <u>0.36</u> | <u>0.36</u> | <u>0.36</u> | <u>0.36</u> | <u>0.36</u> | <u>0.36</u> | <u>0.36</u> | <u>0.36</u> | <u>0.36</u> | <u>0.36</u> | <u>0.36</u> |
| 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 |

* 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

| 2007 | January | February | March | April | May | June | July | August | September | October | November | December |
|--|----------------|-----------------|--------------|--------------|------------|-------------|-------------|---------------|------------------|----------------|-----------------|-----------------|
| Day Ahead Market MWh | 14,164,585 | 13,771,553 | | | | | | | | | | |
| DAM LSE Internal LBMP Energy Sales | 45% | 44% | | | | | | | | | | |
| DAM External TC LBMP Energy Sales | 4% | 7% | | | | | | | | | | |
| DAM Bilateral - Internal Bilaterals | 47% | 45% | | | | | | | | | | |
| DAM Bilateral - Import/Non-LBMP Market Bilaterals | 2% | 2% | | | | | | | | | | |
| DAM Bilateral - Export/Non-LBMP Market Bilaterals | 1% | 1% | | | | | | | | | | |
| DAM Bilateral - Wheel Through Bilaterals | 1% | 1% | | | | | | | | | | |
| Balancing Energy Market MWh | 436,345 | 630,212 | | | | | | | | | | |
| Balancing Energy LSE Internal LBMP Energy Sales | 51% | 49% | | | | | | | | | | |
| Balancing Energy External TC LBMP Energy Sales | 56% | 59% | | | | | | | | | | |
| Balancing Energy Bilateral - Internal Bilaterals | -1% | -4% | | | | | | | | | | |
| Balancing Energy Bilateral - Import/Non-LBMP Market Bilaterals | 0% | 0% | | | | | | | | | | |
| Balancing Energy Bilateral - Export/Non-LBMP Market Bilaterals | 0% | 0% | | | | | | | | | | |
| Balancing Energy Bilateral - Wheel Through Bilaterals | -7% | -4% | | | | | | | | | | |
| Transactions Summary | | | | | | | | | | | | |
| LBMP | 51% | 54% | | | | | | | | | | |
| Internal Bilaterals | 45% | 42% | | | | | | | | | | |
| Import Bilaterals | 2% | 2% | | | | | | | | | | |
| Export Bilaterals | 1% | 1% | | | | | | | | | | |
| Wheels Through | 1% | 1% | | | | | | | | | | |
| Market Share of Total Load | | | | | | | | | | | | |
| Day Ahead Market | 97.0% | 95.6% | | | | | | | | | | |
| Balancing Energy † | 3.0% | 4.4% | | | | | | | | | | |
| Total MWh | 14,600,930 | 14,401,765 | | | | | | | | | | |
| Average Daily Energy Sendout/Month GWh | 449 | 471 | | | | | | | | | | |
| 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 | 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 |

† 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 2007 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 * | \$62.20 | \$84.73 | | | | | | | | | | |
| Standard Deviation | \$21.16 | \$21.02 | | | | | | | | | | |
| Load Weighted Price ** | \$64.61 | \$86.87 | | | | | | | | | | |
| <u>RTC LBMP</u> | | | | | | | | | | | | |
| Price * | \$61.44 | \$84.30 | | | | | | | | | | |
| Standard Deviation | \$28.08 | \$40.04 | | | | | | | | | | |
| Load Weighted Price ** | \$63.64 | \$86.66 | | | | | | | | | | |
| <u>REAL TIME LBMP</u> | | | | | | | | | | | | |
| Price * | \$62.38 | \$84.03 | | | | | | | | | | |
| Standard Deviation | \$32.76 | \$42.22 | | | | | | | | | | |
| Load Weighted Price ** | \$65.19 | \$86.80 | | | | | | | | | | |
| Average Daily Energy Sendout/Month GWh | 449 | 471 | | | | | | | | | | |

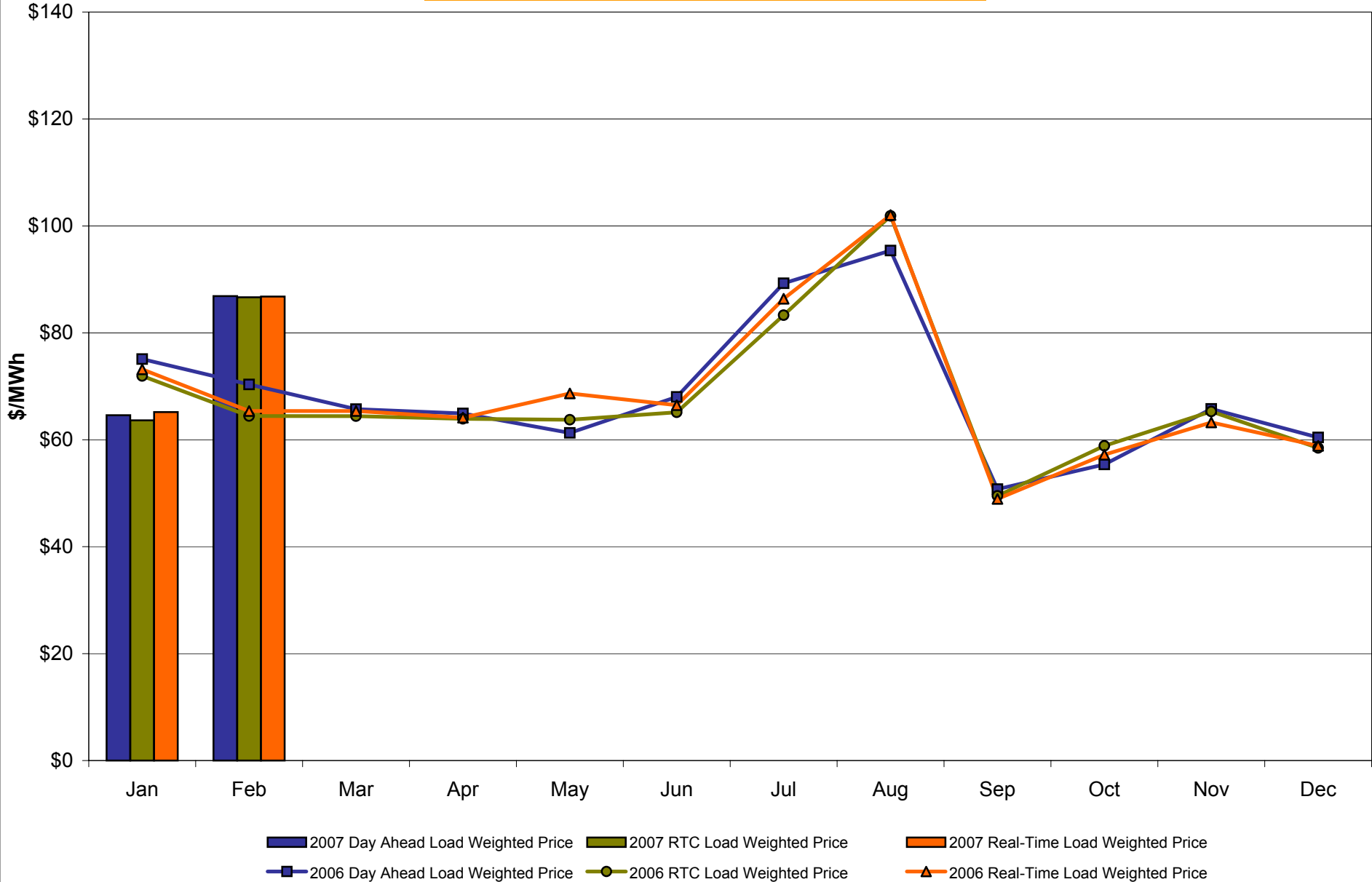
NYISO Markets 2006 Energy Statistics

| | <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 |

* Average zonal load weighted prices.

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

NYISO Monthly Average Internal LBMPs 2006 - 2007

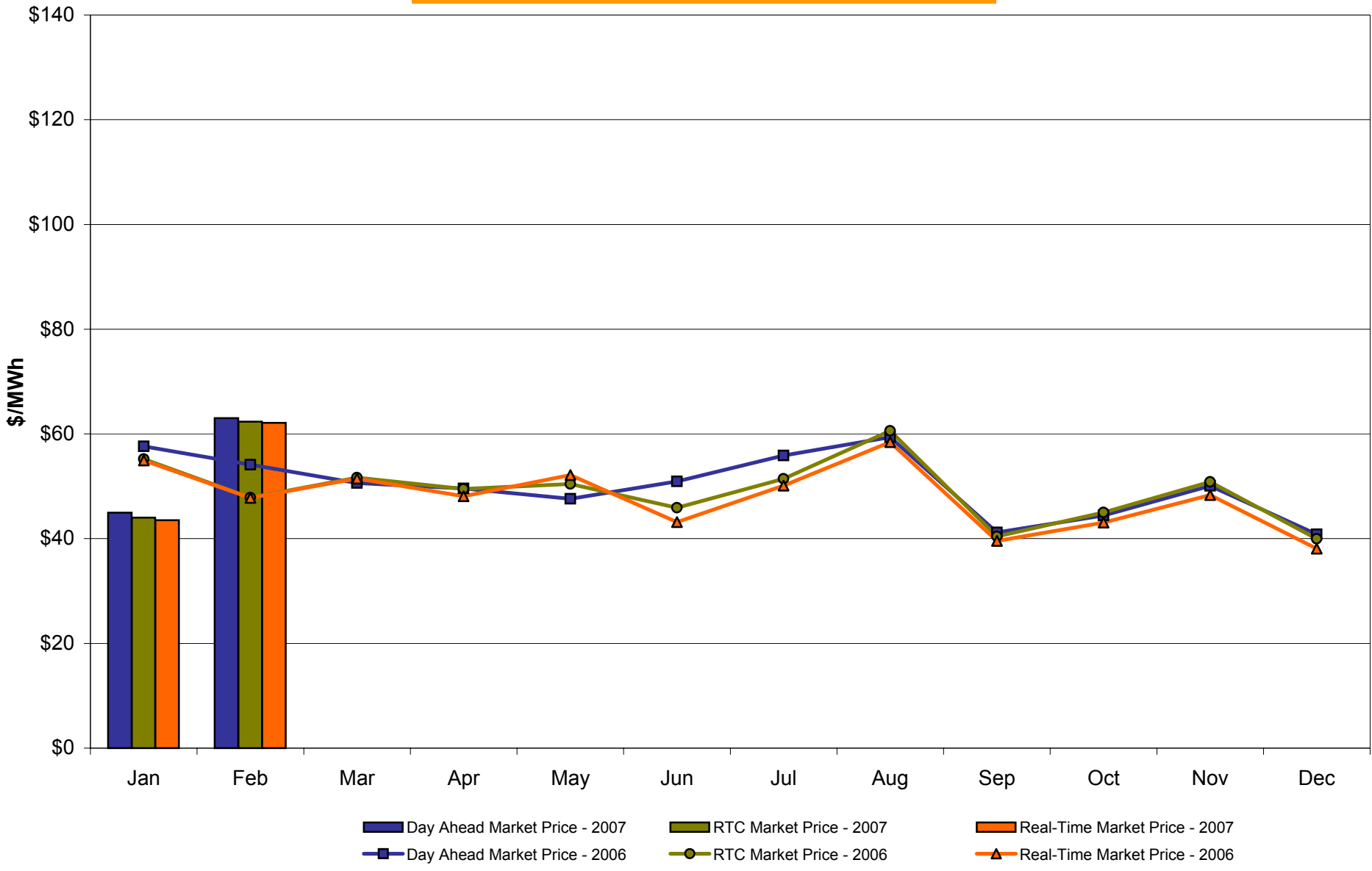


February 2007 Zonal LBMP Statistics for NYISO (\$/MWh)

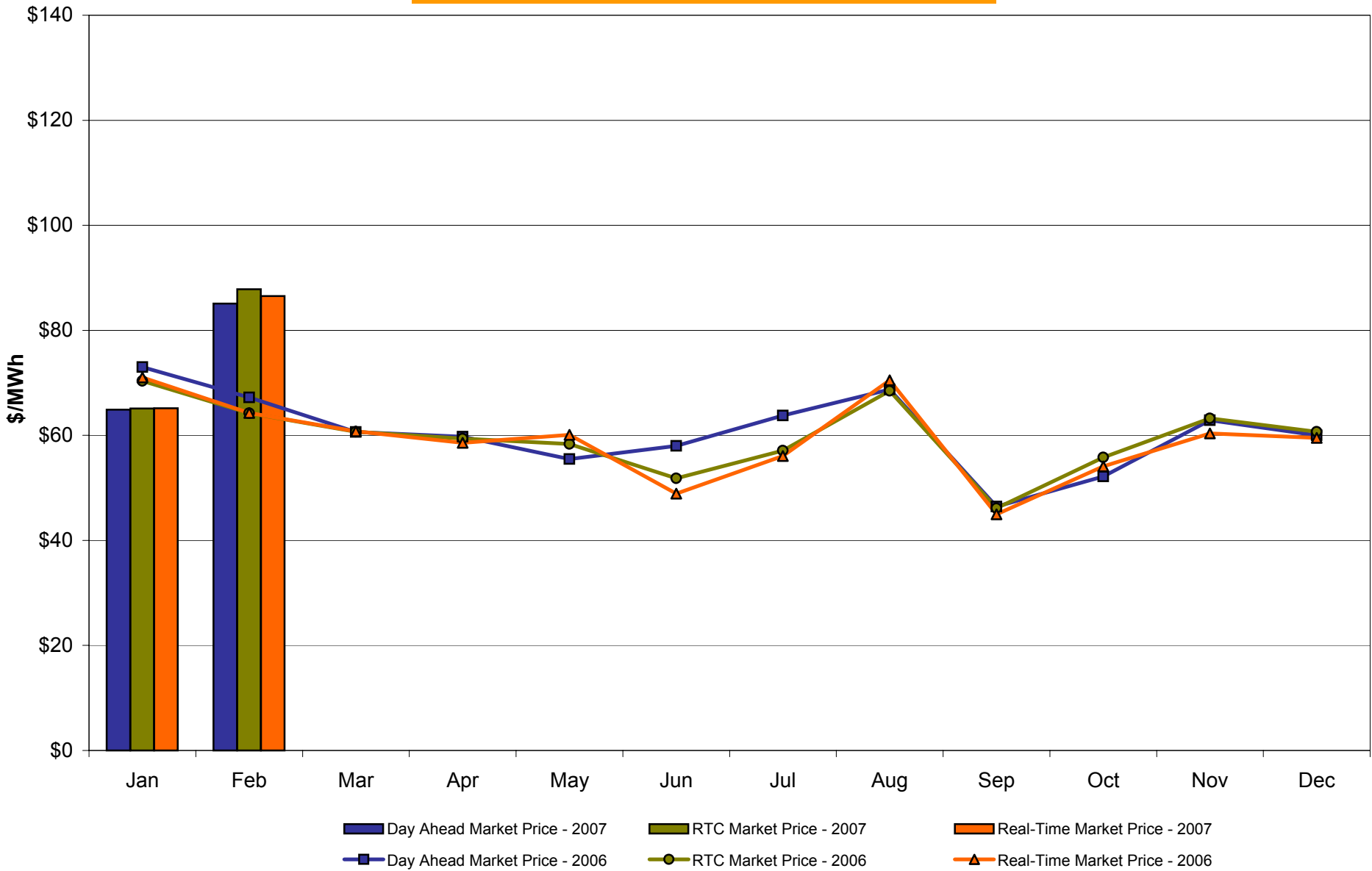
| | <u>WEST Zone A</u> | <u>GENESEE Zone B</u> | <u>NORTH Zone D</u> | <u>CENTRAL Zone C</u> | <u>MOHAWK VALLEY Zone E</u> | <u>CAPITAL Zone F</u> | <u>HUDSON VALLEY Zone G</u> | <u>MILLWOOD Zone H</u> | <u>DUNWOODIE Zone I</u> | <u>NEW YORK CITY Zone J</u> | <u>LONG ISLAND Zone K</u> |
|------------------------------|------------------------------------|------------------------------------|-------------------------|-----------------------------------|--|---------------------------|-------------------------------------|----------------------------|-----------------------------|-------------------------------------|-----------------------------------|
| <u>DAY AHEAD LBMP</u> | | | | | | | | | | | |
| Unweighted Price * | 63.03 | 65.70 | 69.74 | 69.49 | 71.92 | 85.09 | 83.81 | 84.86 | 84.72 | 92.41 | 114.17 |
| Standard Deviation | 16.56 | 16.92 | 17.18 | 16.76 | 17.45 | 18.73 | 18.25 | 18.68 | 18.58 | 22.57 | 40.80 |
| <u>RTC LBMP</u> | | | | | | | | | | | |
| Unweighted Price * | 62.32 | 65.00 | 65.76 | 67.74 | 69.40 | 87.84 | 84.88 | 85.53 | 85.36 | 90.59 | 117.20 |
| Standard Deviation | 33.58 | 35.83 | 39.51 | 37.72 | 39.98 | 41.27 | 38.85 | 39.15 | 39.03 | 43.80 | 75.03 |
| <u>REAL TIME LBMP</u> | | | | | | | | | | | |
| Unweighted Price * | 62.11 | 64.75 | 65.77 | 67.59 | 69.29 | 86.53 | 83.97 | 84.61 | 84.45 | 89.72 | 119.83 |
| Standard Deviation | 32.11 | 34.27 | 40.94 | 39.32 | 41.63 | 43.15 | 41.43 | 41.73 | 41.62 | 46.97 | 89.92 |
| | <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 * | 61.33 | 69.44 | 67.14 | 84.08 | 113.48 | | | | | | |
| Standard Deviation | 16.19 | 17.58 | 18.12 | 18.25 | 40.65 | | | | | | |
| <u>RTC LBMP</u> | | | | | | | | | | | |
| Unweighted Price * | 57.14 | 69.60 | 63.65 | 79.36 | 111.43 | | | | | | |
| Standard Deviation | 19.80 | 90.03 | 48.16 | 19.09 | 63.94 | | | | | | |
| <u>REAL TIME LBMP</u> | | | | | | | | | | | |
| Unweighted Price * | 60.22 | 65.12 | 65.93 | 83.18 | 118.76 | | | | | | |
| Standard Deviation | 29.75 | 39.76 | 52.21 | 38.13 | 87.48 | | | | | | |

* Straight zonal LBMP averages

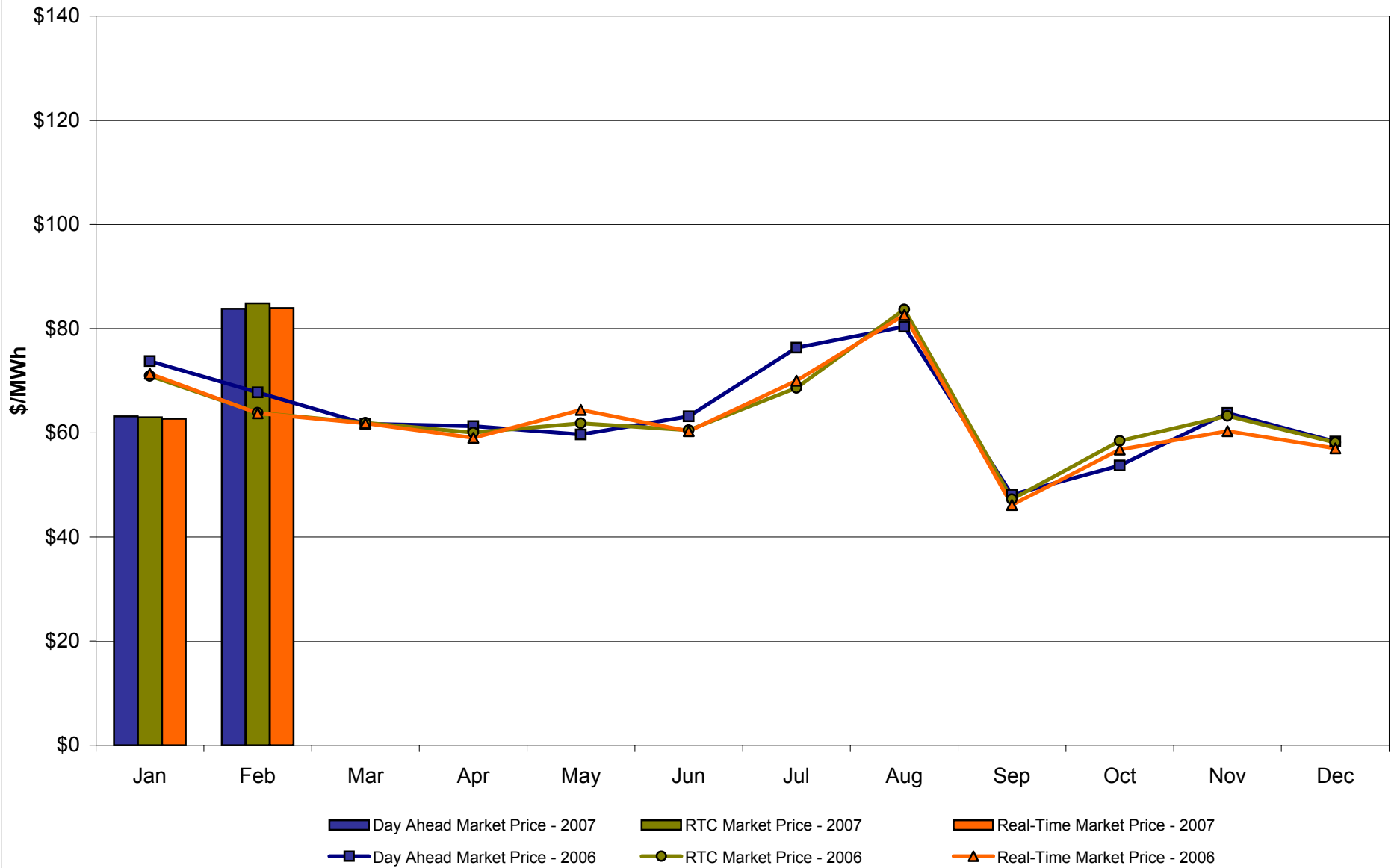
West Zone A Monthly Average LBMP Prices 2006 - 2007



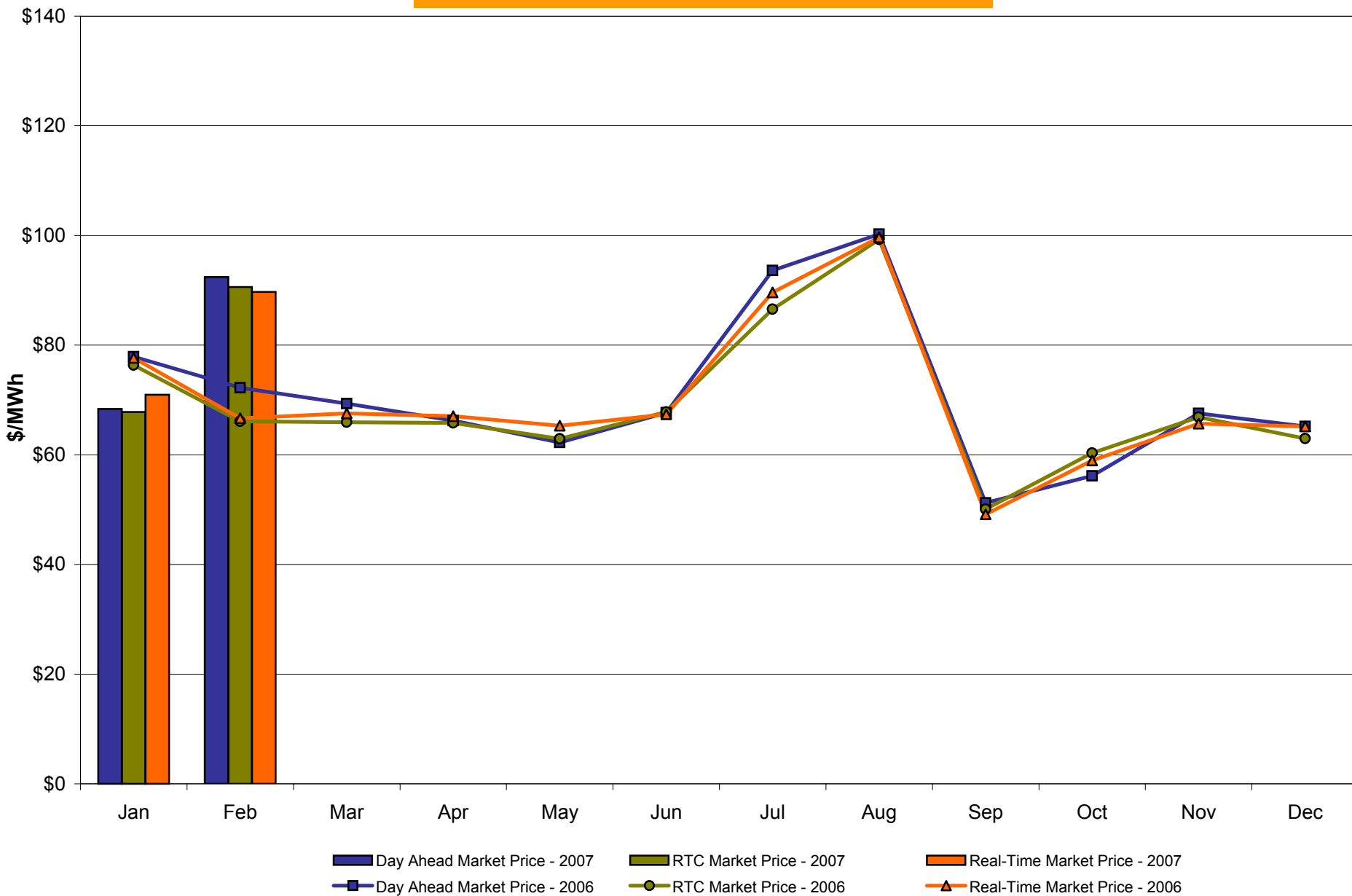
Capital Zone F Monthly Average LBMP Prices 2006 - 2007



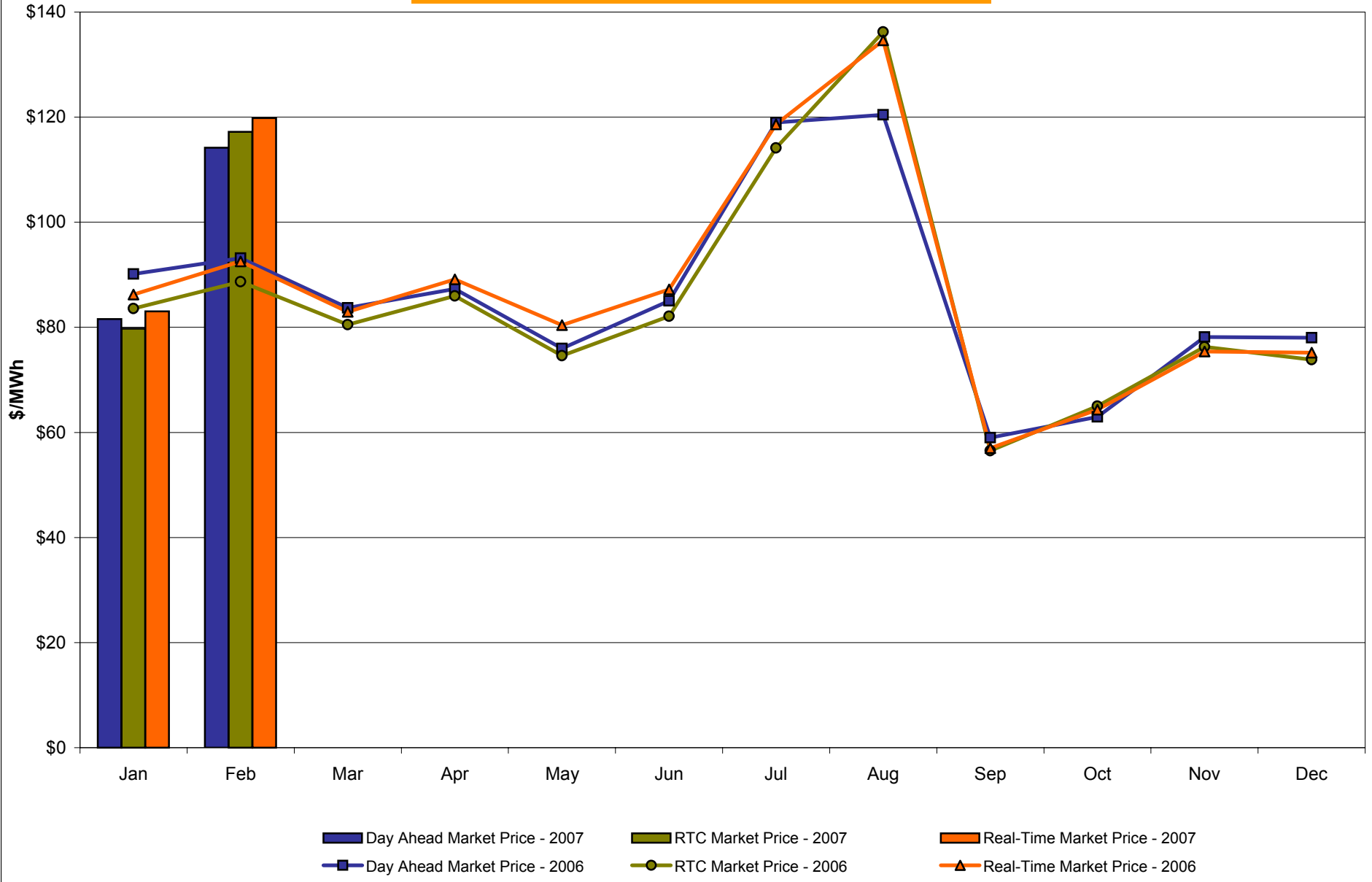
Hudson Valley Zone G Monthly Average LBMP Prices 2006 - 2007



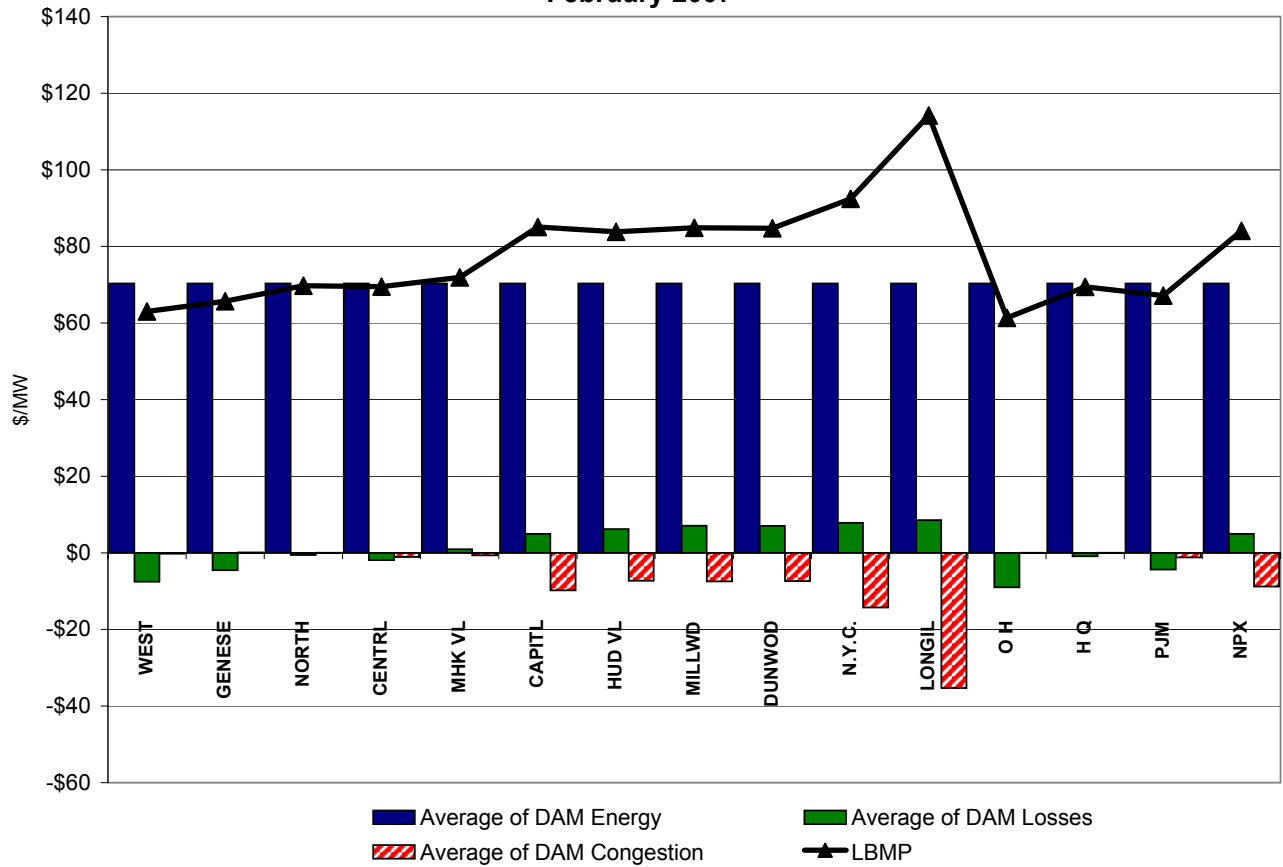
NYC Zone J Monthly Average LBMP Prices 2006 - 2007



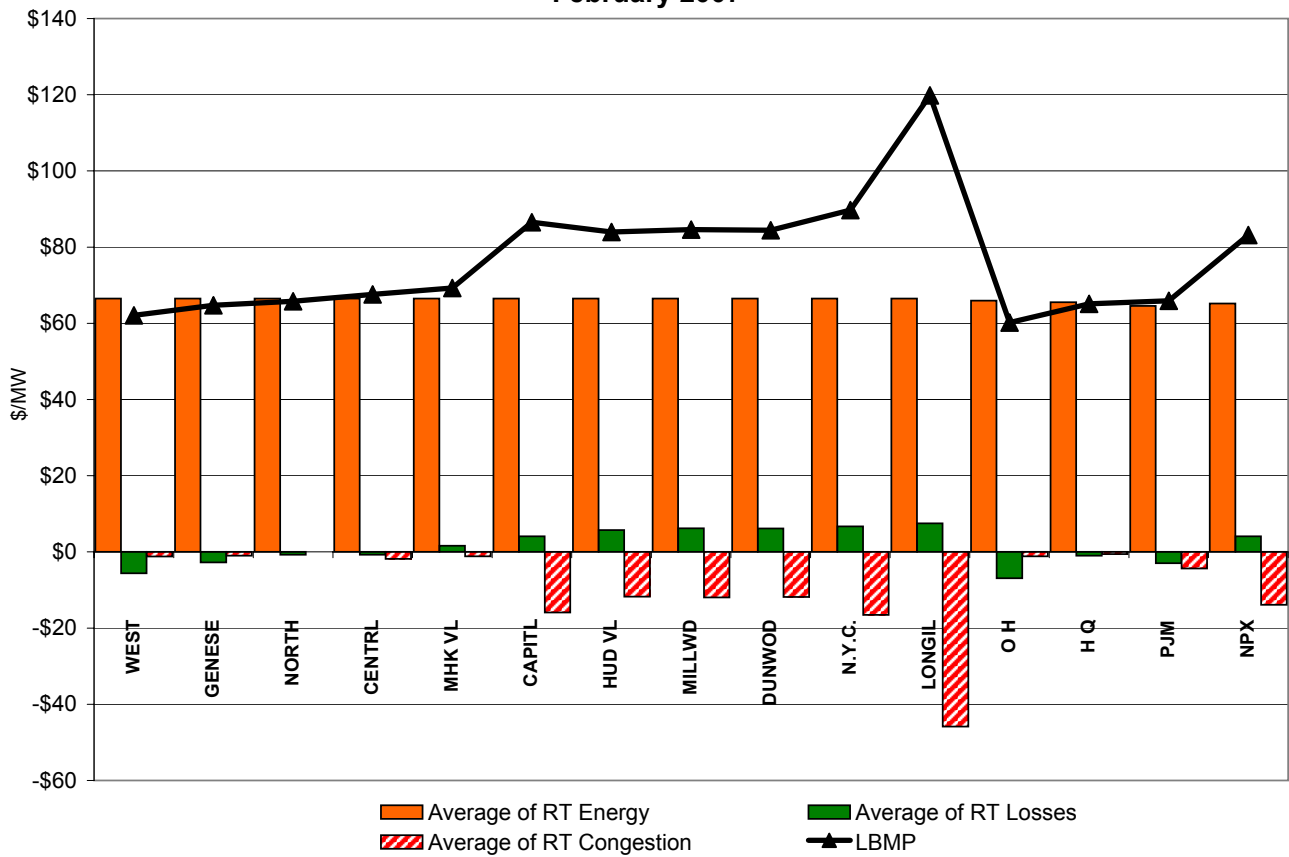
Long Island Zone K Monthly Average LBMP Prices 2006 - 2007



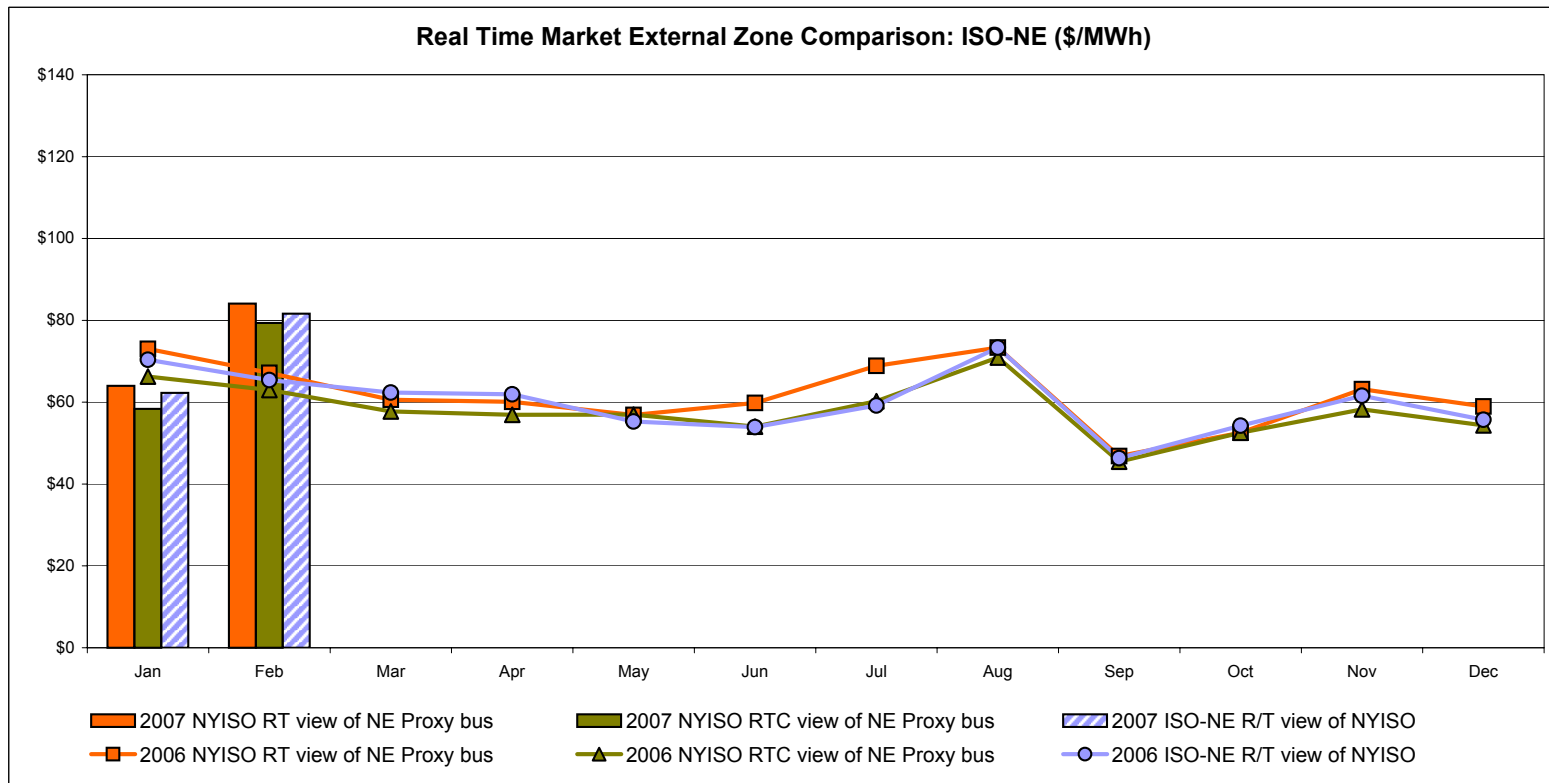
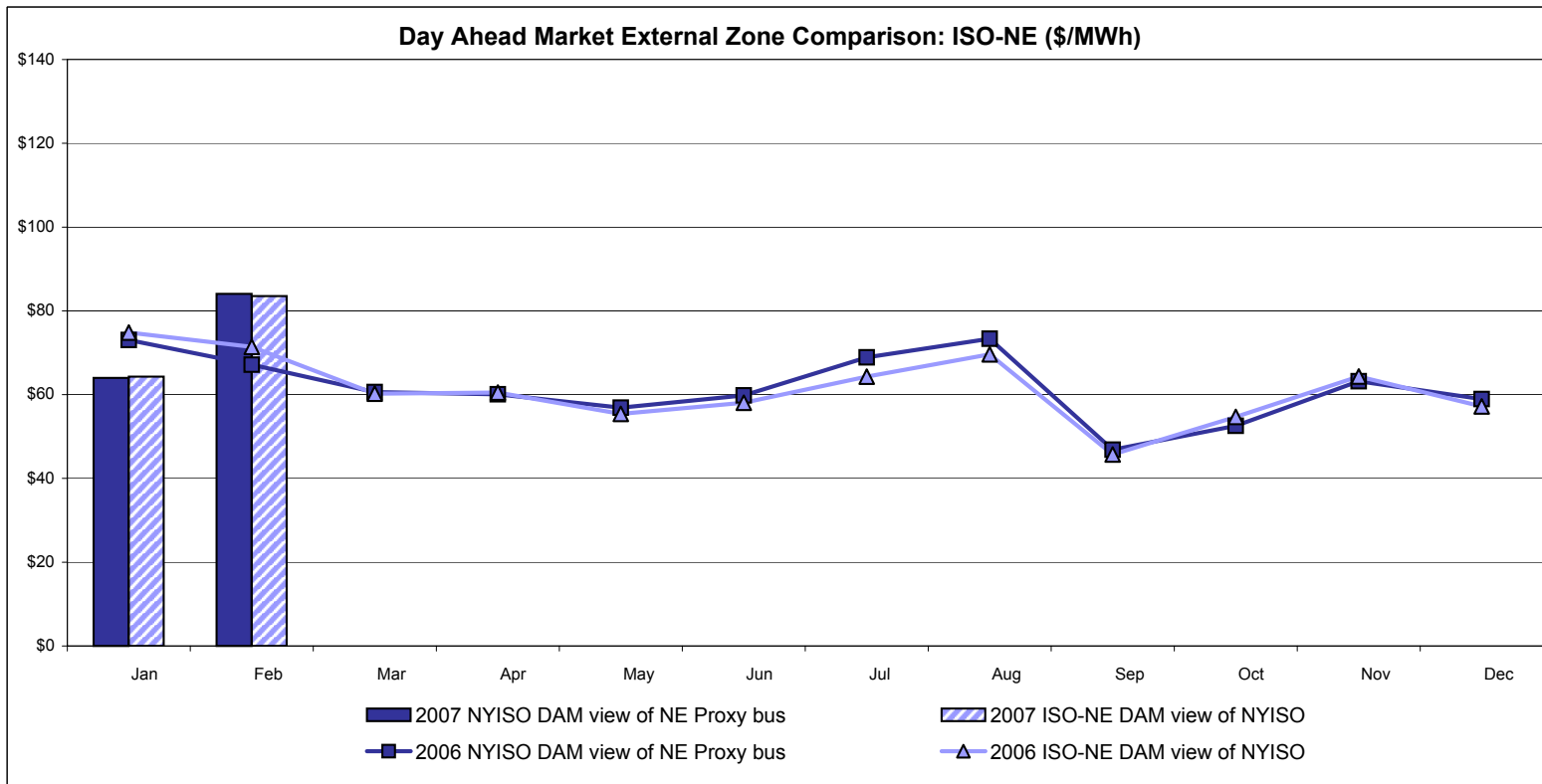
**DAM Zonal Unweighted Monthly Average LBMP Components
February 2007**



**RT Zonal Unweighted Monthly Average LBMP Components
February 2007**



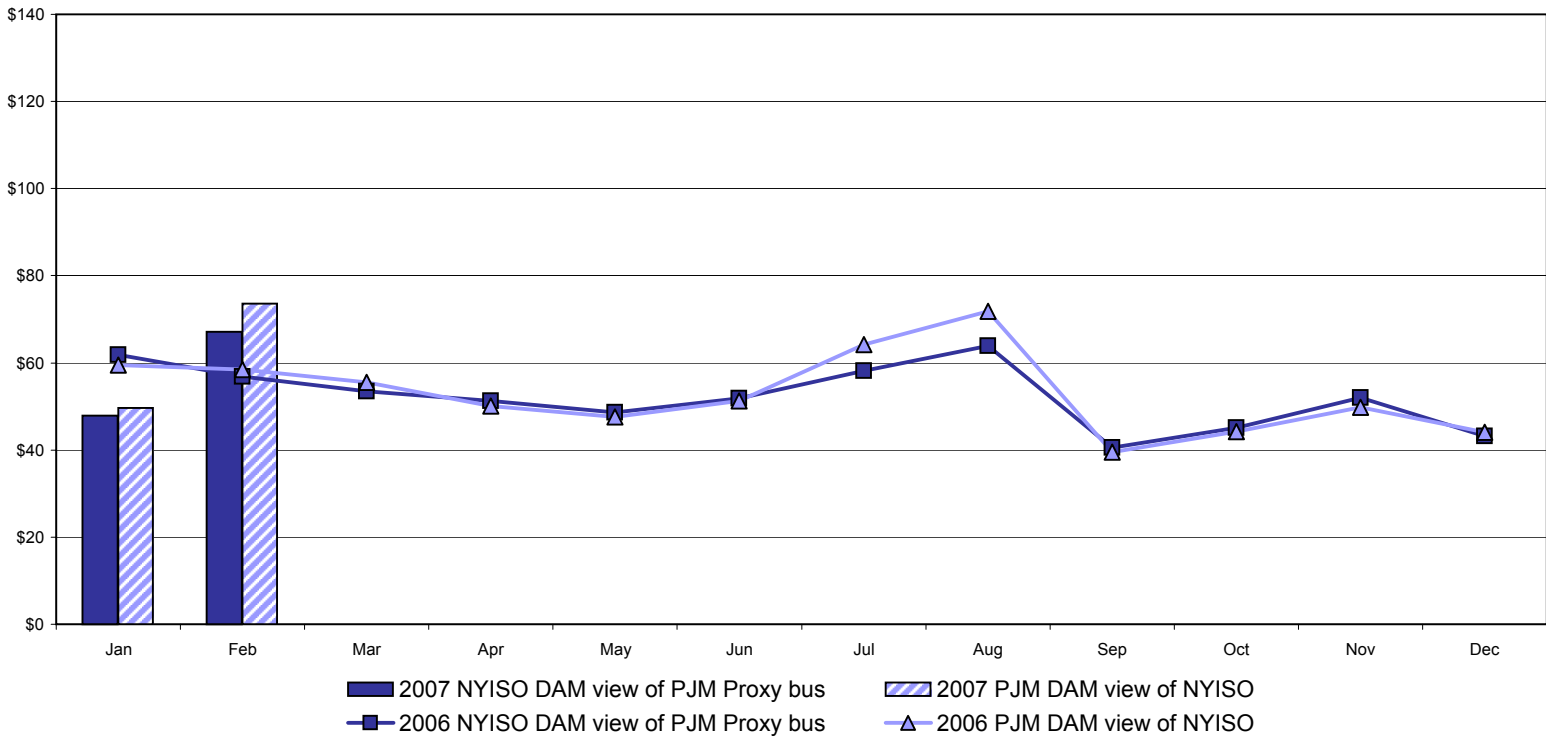
External Comparison ISO-New England



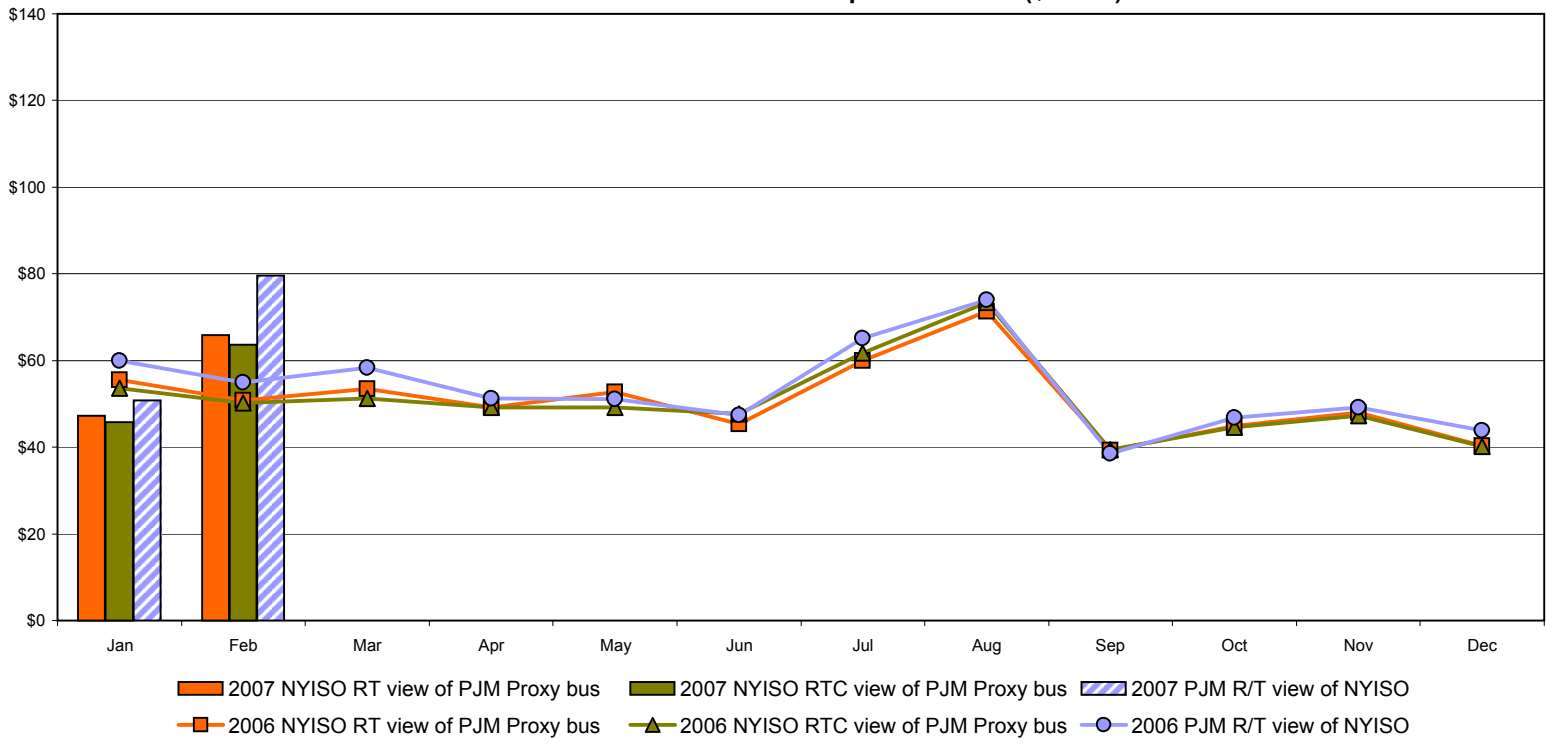
Note:
 ISO-NE Forecast is an advisory posting @ 18:00 day before.
 The DAM and R/T prices at the Roseton interface are used for ISO-NE.
 The DAM and R/T prices at the SandyPond interface are used for NYISO.

External Comparison PJM

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

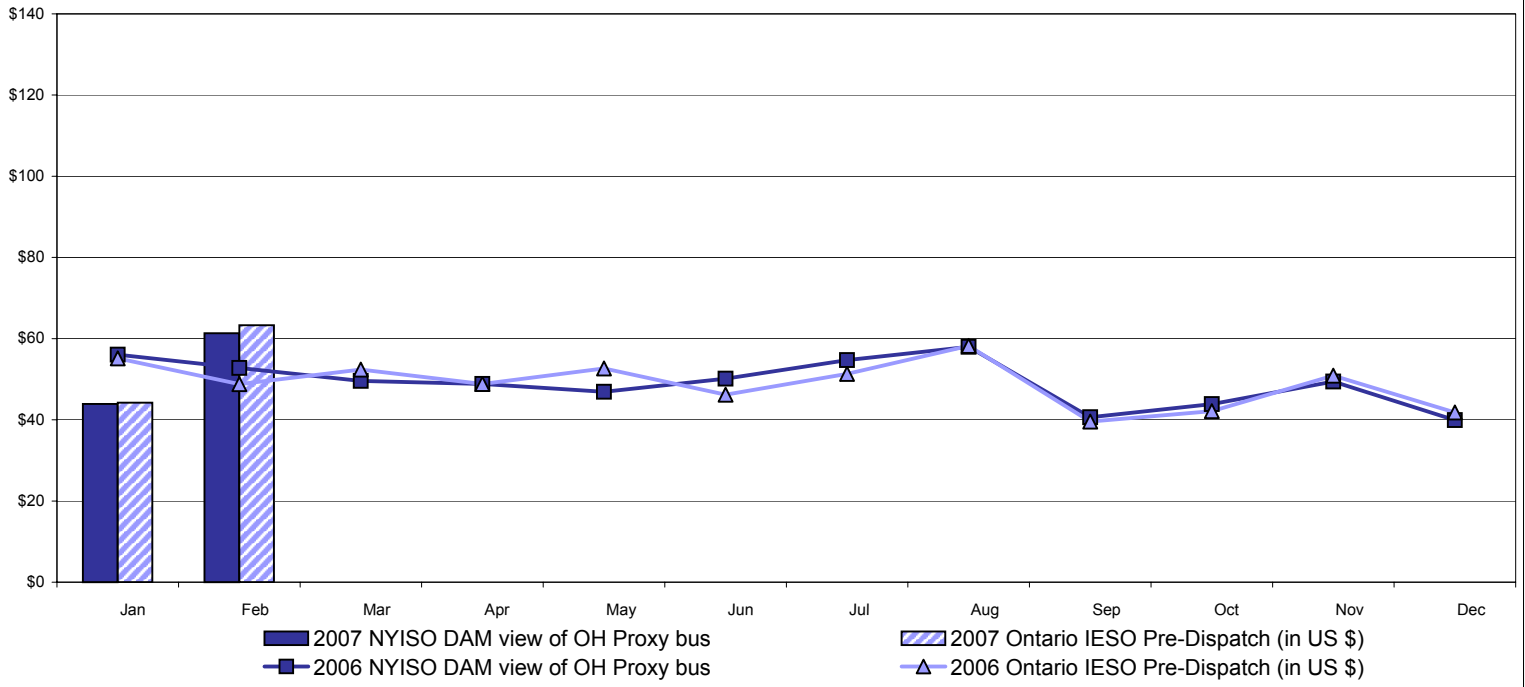


Real Time Market External Zone Comparison - PJM (\$/MWh)

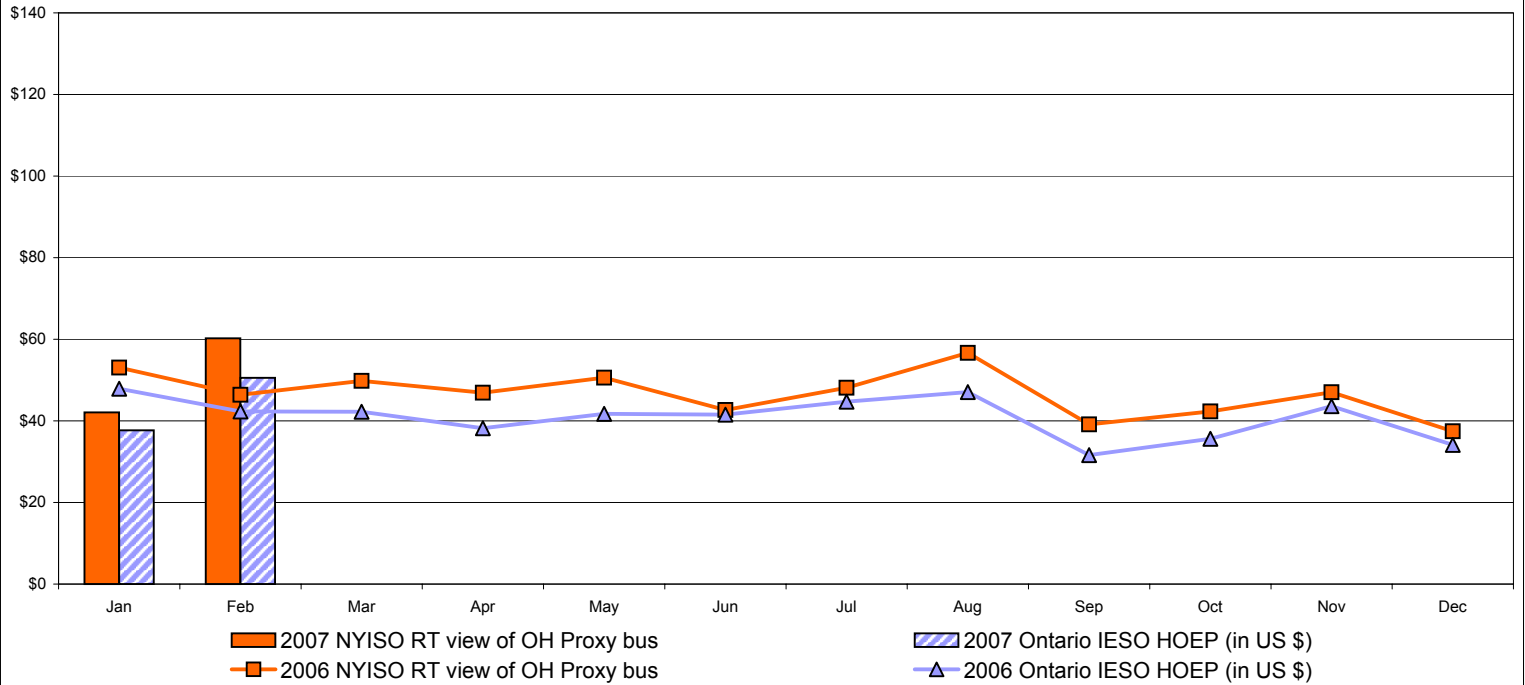


External Comparison Ontario IESO

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

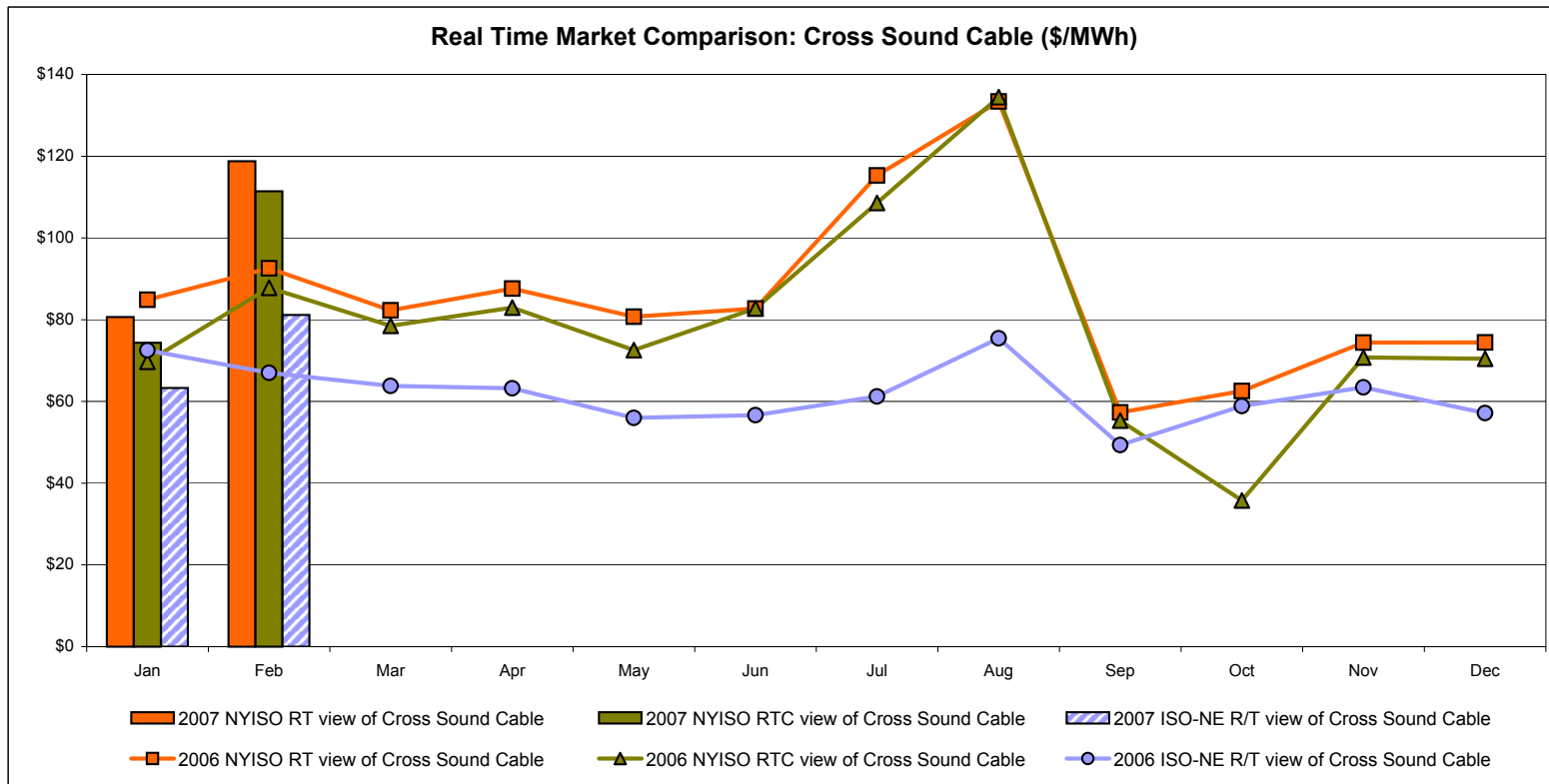
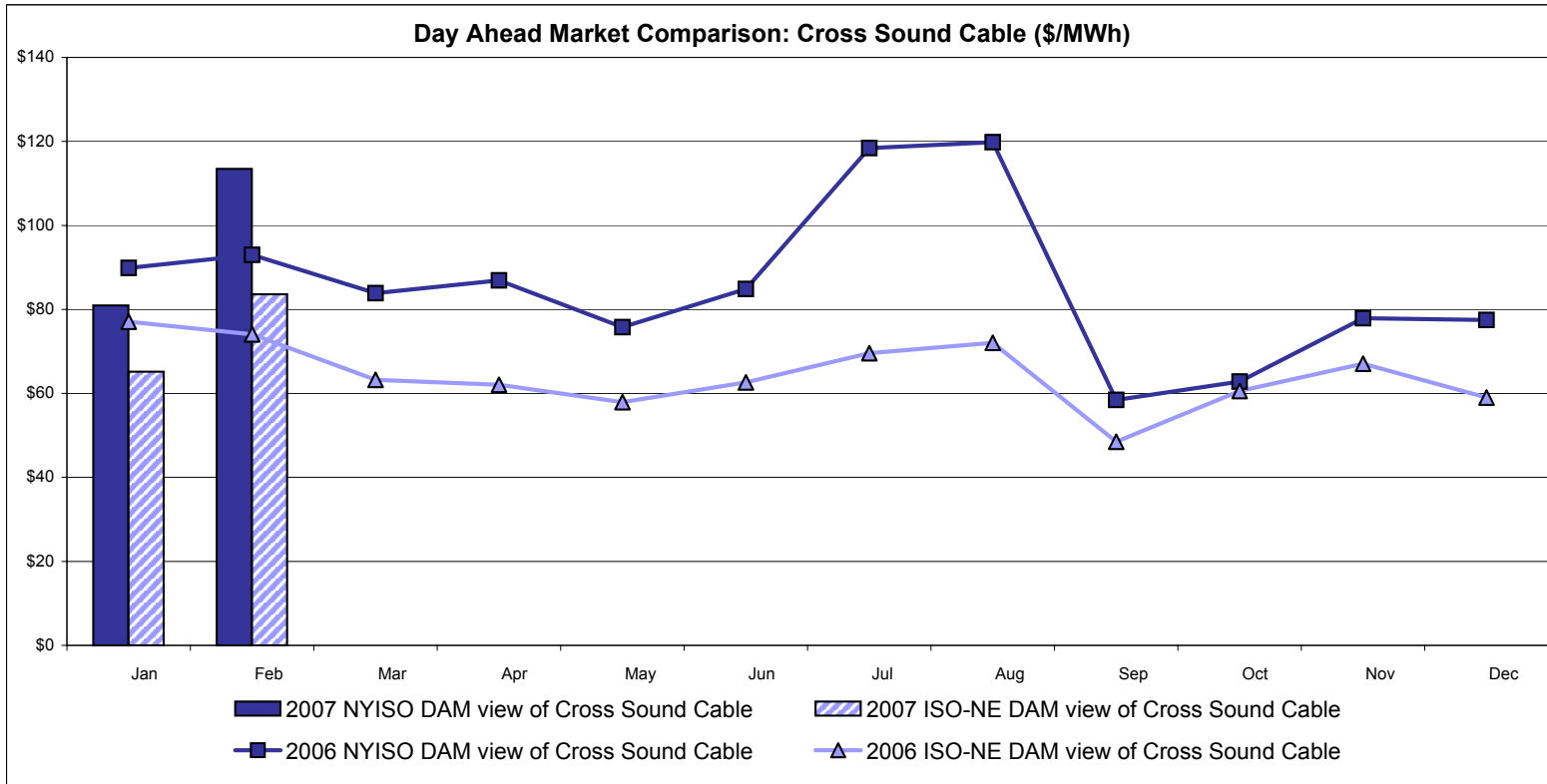


Real Time Market External Zone Comparison - Ontario IESO (\$/MWh)



Notes: Exchange factor used for February 2007 was .85 to US \$
 HOEP: Hourly Ontario Energy Price
 Pre-Dispatch: Projected Energy Price

External Controllable Line: Cross Sound Cable (New England)



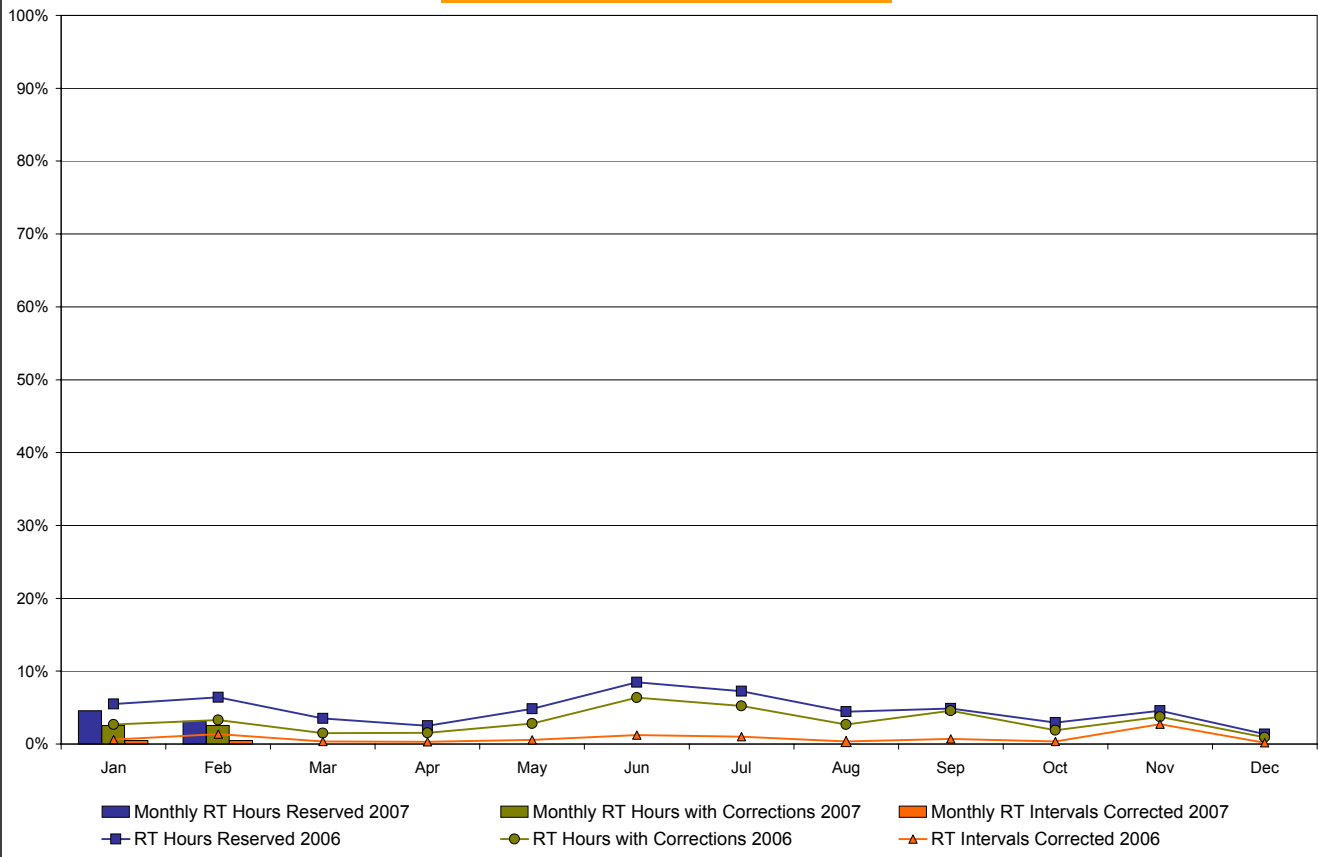
Note:
 ISO-NE Forecast is an advisory posting @ 18:00 day before.
 The DAM and R/T prices at the Shorham138 99 interface are used for ISO-NE.
 The DAM and R/T prices at the CSC interface are used for NYISO.

NYISO Real Time Price Correction Statistics

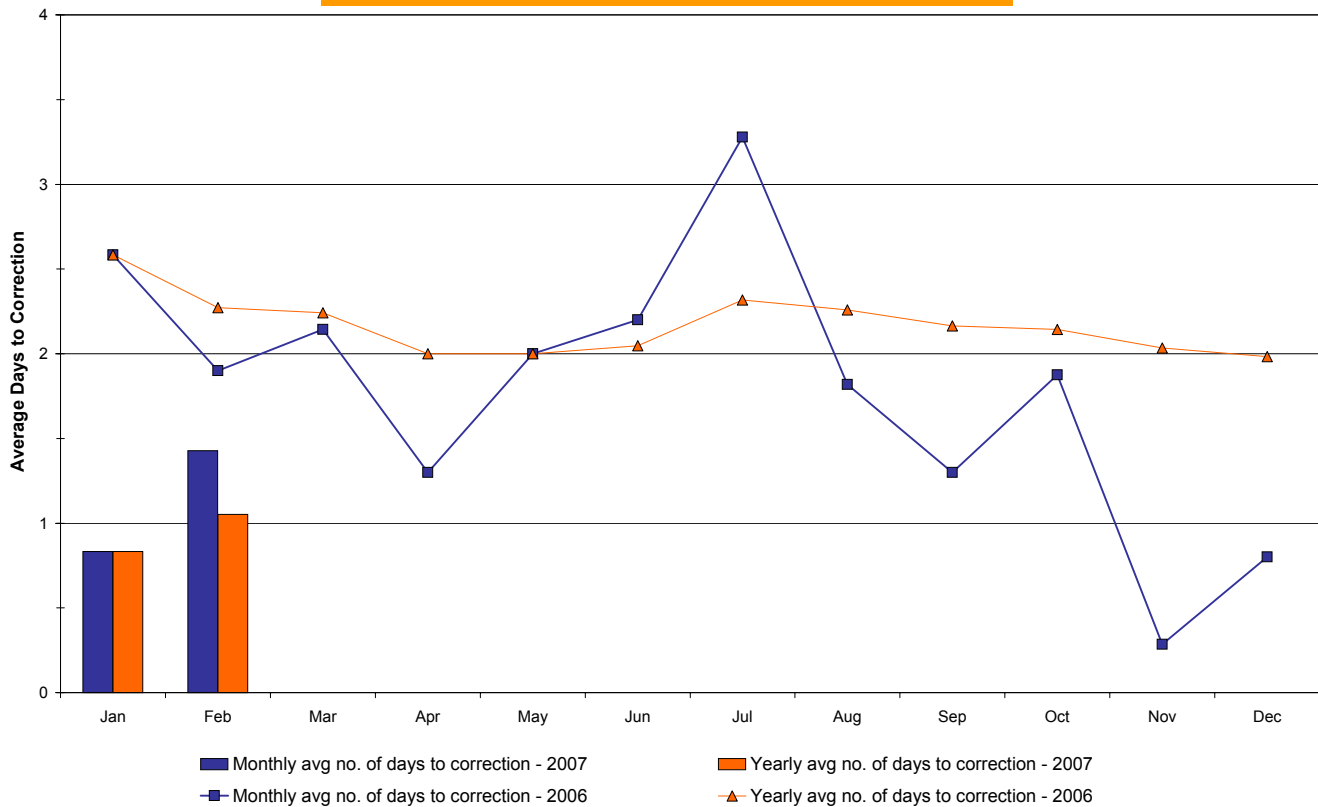
| 2007 | | <u>January</u> | <u>February</u> | <u>March</u> | <u>April</u> | <u>May</u> | <u>June</u> | <u>July</u> | <u>August</u> | <u>September</u> | <u>October</u> | <u>November</u> | <u>December</u> |
|-----------------------------------|--------------|----------------|-----------------|--------------|--------------|------------|-------------|-------------|---------------|------------------|----------------|-----------------|-----------------|
| Hour Corrections | | | | | | | | | | | | | |
| Number of hours with corrections | in the month | 19 | 17 | | | | | | | | | | |
| Number of hours | in the month | 744 | 672 | | | | | | | | | | |
| % of hours with corrections | in the month | 2.55% | 2.53% | | | | | | | | | | |
| % of hours with corrections | year-to-date | 2.55% | 2.54% | | | | | | | | | | |
| Interval Corrections | | | | | | | | | | | | | |
| Number of intervals corrected | in the month | 44 | 39 | | | | | | | | | | |
| Number of intervals | in the month | 8,954 | 8,115 | | | | | | | | | | |
| % of intervals corrected | in the month | 0.49% | 0.48% | | | | | | | | | | |
| % of intervals corrected | year-to-date | 0.49% | 0.49% | | | | | | | | | | |
| Hours Reserved | | | | | | | | | | | | | |
| Number of hours reserved | in the month | 34 | 21 | | | | | | | | | | |
| Number of hours | in the month | 744 | 672 | | | | | | | | | | |
| % of hours reserved | in the month | 4.57% | 3.13% | | | | | | | | | | |
| % of hours reserved | year-to-date | 4.57% | 3.88% | | | | | | | | | | |
| Days to Correction * | | | | | | | | | | | | | |
| Avg. number of days to correction | in the month | 0.83 | 1.43 | | | | | | | | | | |
| Avg. number of days to correction | year-to-date | 0.83 | 1.05 | | | | | | | | | | |
| Days Without Corrections | | | | | | | | | | | | | |
| Days without corrections | in the month | 19 | 21 | | | | | | | | | | |
| Days without corrections | year-to-date | 19 | 40 | | | | | | | | | | |
| 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 |

* Calendar days from reservation date.

Percentage of Real-Time Corrections

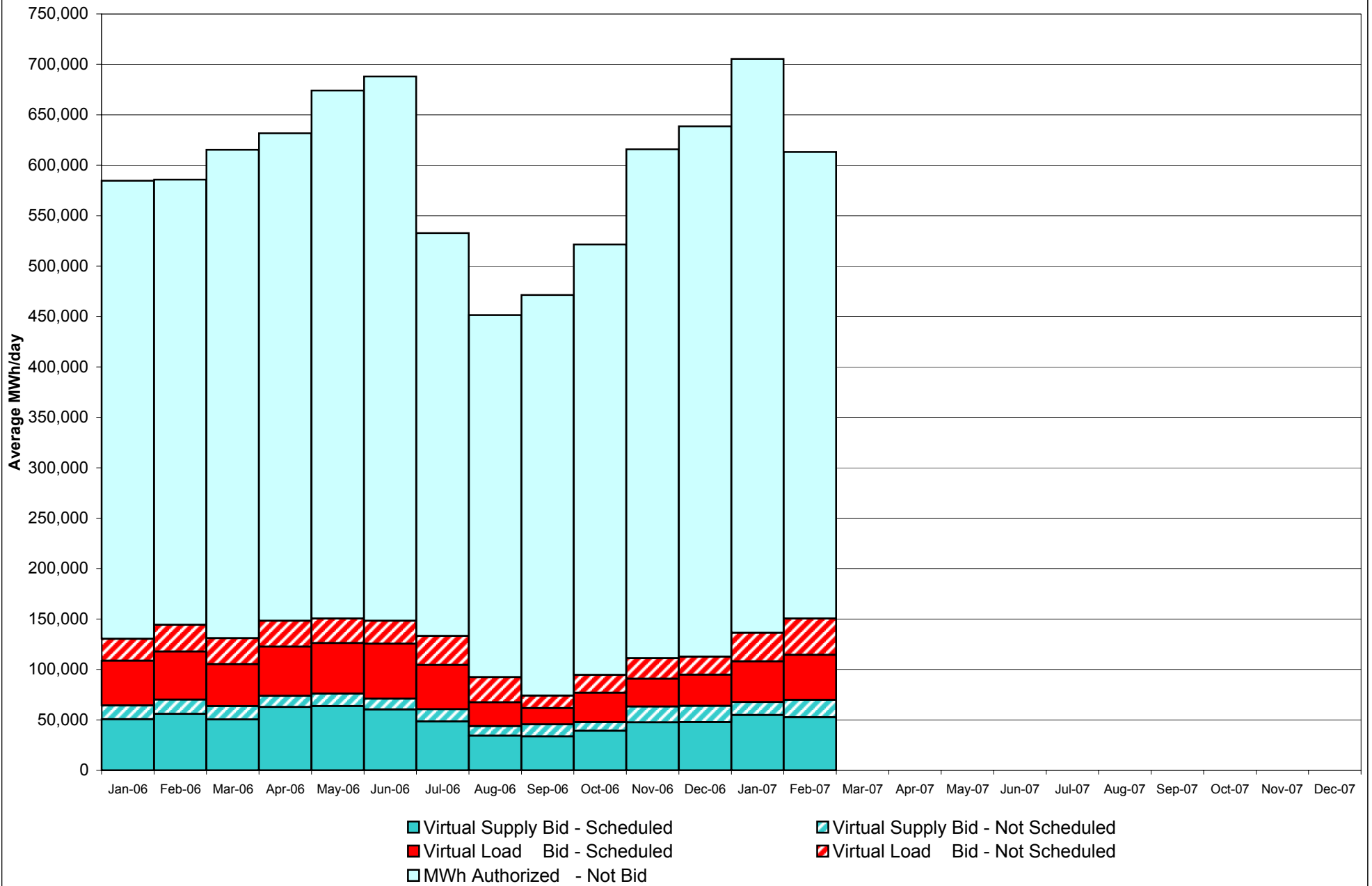


Annual average time period for making Price Corrections (from reservation date) *

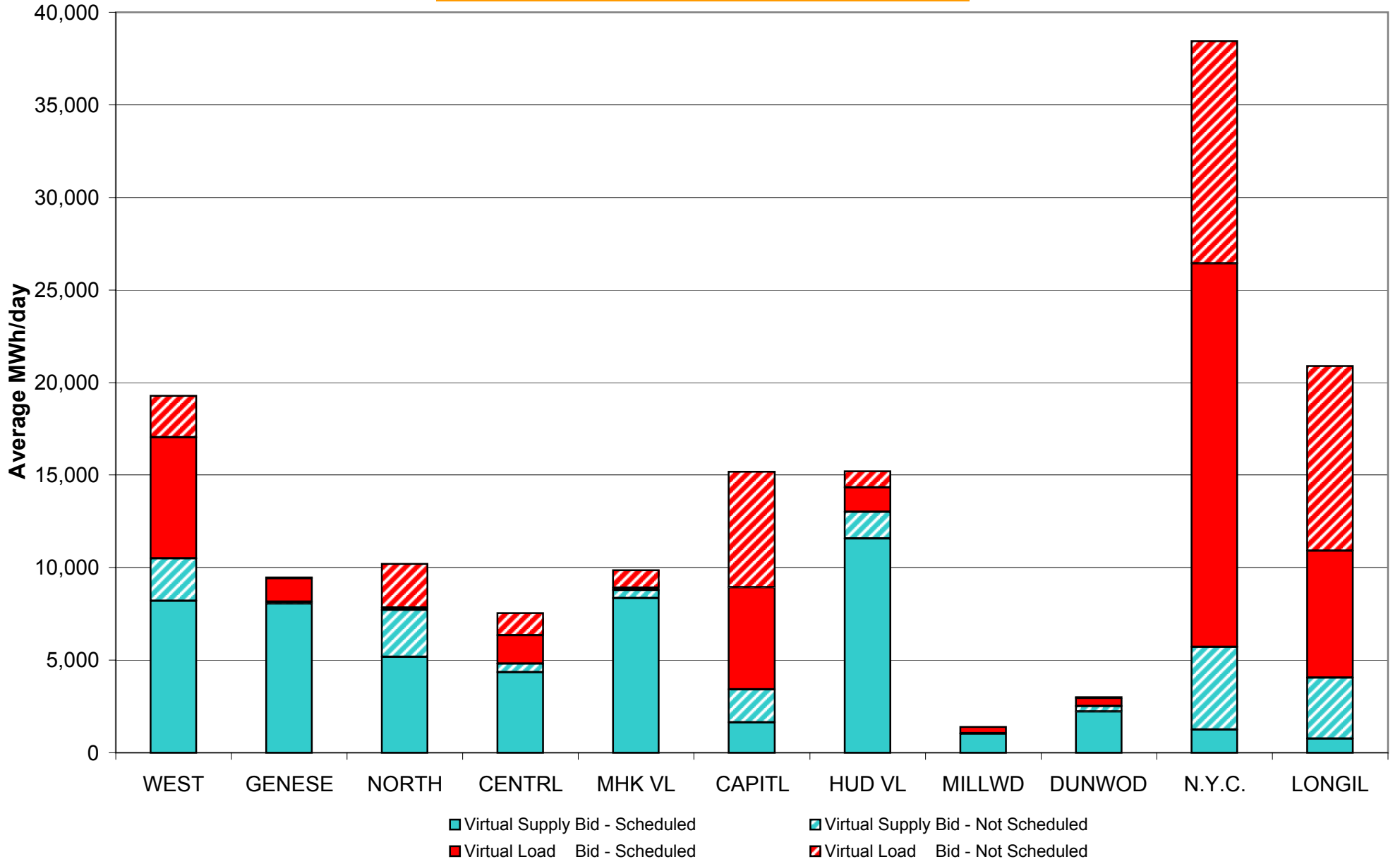


* Calendar days from reservation date.

NYISO Virtual Trading Average MWh per day



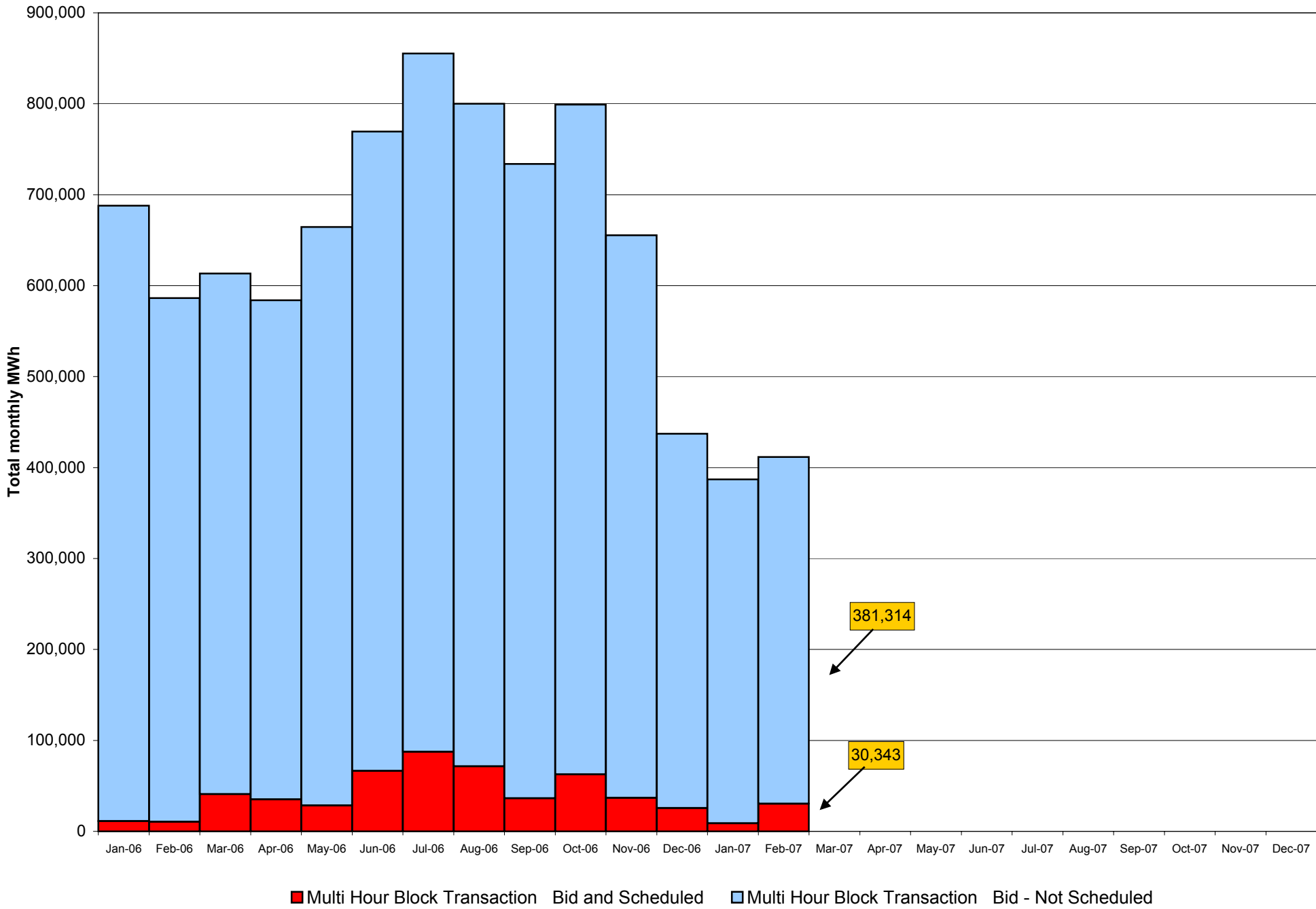
Virtual Load and Supply Zonal Statistics February 2007



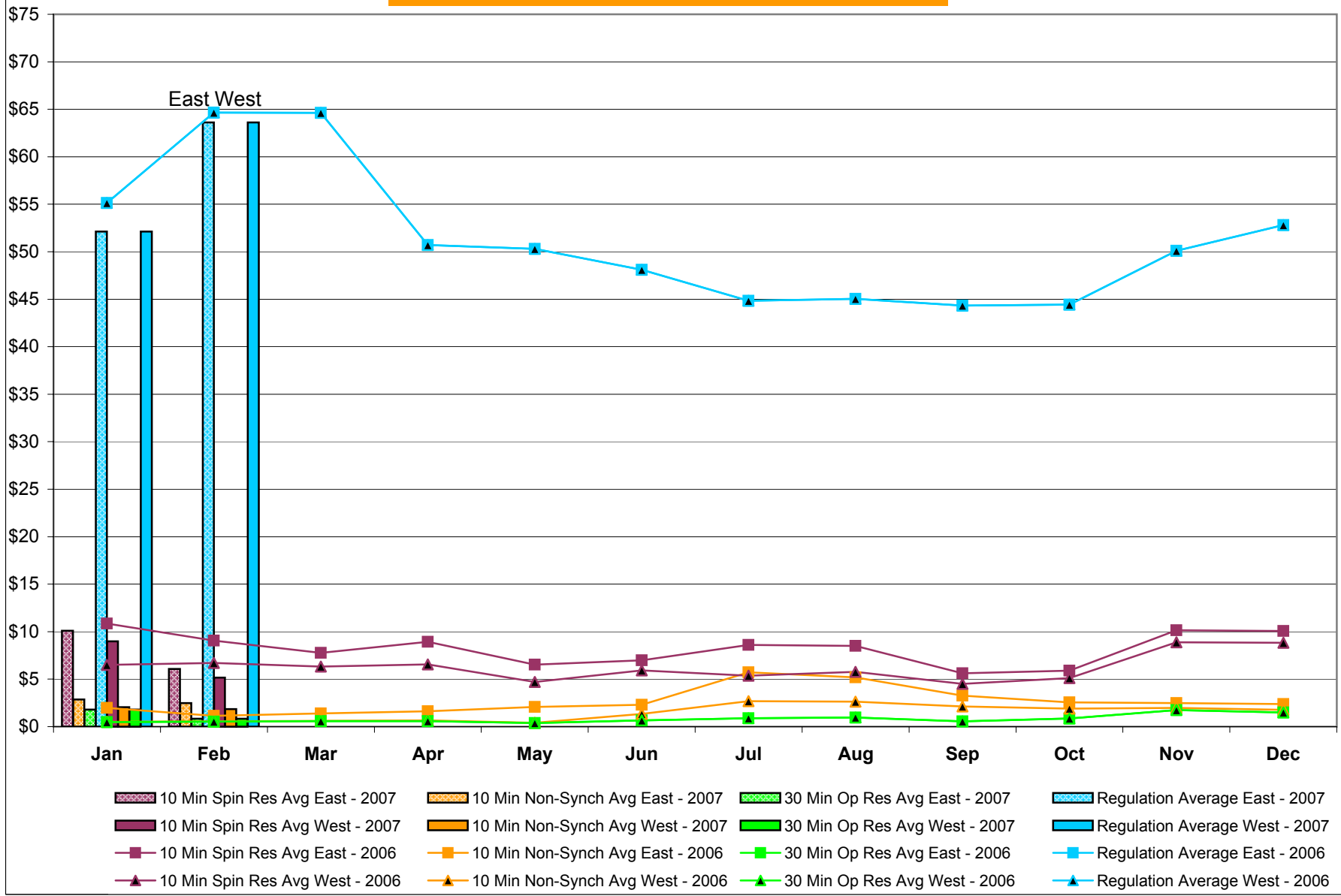
Virtual Load and Supply Zonal Statistics (Average MWh/day) - 2007

| | | 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-07 | 5,737 | 974 | 9,006 | 1,063 | MHK VL | Jan-07 | 125 | 952 | 7,872 | 450 | DUNWOD | Jan-07 | 838 | 728 | 2,560 | 131 | | |
| | Feb-07 | 6,545 | 2,261 | 8,207 | 2,278 | | Feb-07 | 120 | 951 | 8,339 | 452 | | Feb-07 | 431 | 59 | 2,222 | 292 | | |
| | Mar-07 | | | | | | Mar-07 | | | | | | Mar-07 | | | | | | |
| | Apr-07 | | | | | | Apr-07 | | | | | | Apr-07 | | | | | | |
| | May-07 | | | | | | May-07 | | | | | | May-07 | | | | | | |
| | Jun-07 | | | | | | Jun-07 | | | | | | Jun-07 | | | | | | |
| | Jul-07 | | | | | | Jul-07 | | | | | | Jul-07 | | | | | | |
| | Aug-07 | | | | | | Aug-07 | | | | | | Aug-07 | | | | | | |
| | Sep-07 | | | | | | Sep-07 | | | | | | Sep-07 | | | | | | |
| | Oct-07 | | | | | | Oct-07 | | | | | | Oct-07 | | | | | | |
| | Nov-07 | | | | | | Nov-07 | | | | | | Nov-07 | | | | | | |
| | Dec-07 | | | | | | Dec-07 | | | | | | Dec-07 | | | | | | |
| GENESE | Jan-07 | 1,034 | 109 | 8,201 | 68 | CAPITL | Jan-07 | 4,704 | 5,082 | 2,189 | 2,757 | N.Y.C. | Jan-07 | 18,957 | 9,471 | 2,811 | 3,033 | | |
| | Feb-07 | 1,264 | 45 | 8,050 | 113 | | Feb-07 | 5,507 | 6,247 | 1,636 | 1,785 | | Feb-07 | 20,717 | 12,000 | 1,243 | 4,469 | | |
| | Mar-07 | | | | | | Mar-07 | | | | | | Mar-07 | | | | | | |
| | Apr-07 | | | | | | Apr-07 | | | | | | Apr-07 | | | | | | |
| | May-07 | | | | | | May-07 | | | | | | May-07 | | | | | | |
| | Jun-07 | | | | | | Jun-07 | | | | | | Jun-07 | | | | | | |
| | Jul-07 | | | | | | Jul-07 | | | | | | Jul-07 | | | | | | |
| | Aug-07 | | | | | | Aug-07 | | | | | | Aug-07 | | | | | | |
| | Sep-07 | | | | | | Sep-07 | | | | | | Sep-07 | | | | | | |
| | Oct-07 | | | | | | Oct-07 | | | | | | Oct-07 | | | | | | |
| | Nov-07 | | | | | | Nov-07 | | | | | | Nov-07 | | | | | | |
| | Dec-07 | | | | | | Dec-07 | | | | | | Dec-07 | | | | | | |
| NORTH | Jan-07 | 176 | 2,309 | 5,826 | 1,619 | HUD VL | Jan-07 | 1,714 | 668 | 9,364 | 440 | LONGIL | Jan-07 | 5,703 | 6,929 | 2,063 | 2,518 | | |
| | Feb-07 | 103 | 2,381 | 5,185 | 2,539 | | Feb-07 | 1,302 | 889 | 11,559 | 1,461 | | Feb-07 | 6,854 | 9,983 | 757 | 3,293 | | |
| | Mar-07 | | | | | | Mar-07 | | | | | | Mar-07 | | | | | | |
| | Apr-07 | | | | | | Apr-07 | | | | | | Apr-07 | | | | | | |
| | May-07 | | | | | | May-07 | | | | | | May-07 | | | | | | |
| | Jun-07 | | | | | | Jun-07 | | | | | | Jun-07 | | | | | | |
| | Jul-07 | | | | | | Jul-07 | | | | | | Jul-07 | | | | | | |
| | Aug-07 | | | | | | Aug-07 | | | | | | Aug-07 | | | | | | |
| | Sep-07 | | | | | | Sep-07 | | | | | | Sep-07 | | | | | | |
| | Oct-07 | | | | | | Oct-07 | | | | | | Oct-07 | | | | | | |
| | Nov-07 | | | | | | Nov-07 | | | | | | Nov-07 | | | | | | |
| | Dec-07 | | | | | | Dec-07 | | | | | | Dec-07 | | | | | | |
| CENTRL | Jan-07 | 1,085 | 1,116 | 3,185 | 568 | MILLWD | Jan-07 | 313 | 17 | 1,787 | 2 | NYISO | Jan-07 | 40,385 | 28,353 | 54,863 | 12,649 | | |
| | Feb-07 | 1,539 | 1,214 | 4,350 | 450 | | Feb-07 | 344 | 4 | 1,032 | 7 | | Feb-07 | 44,727 | 36,035 | 52,580 | 17,137 | | |
| | Mar-07 | | | | | | Mar-07 | | | | | | Mar-07 | | | | | | |
| | Apr-07 | | | | | | Apr-07 | | | | | | Apr-07 | | | | | | |
| | May-07 | | | | | | May-07 | | | | | | May-07 | | | | | | |
| | Jun-07 | | | | | | Jun-07 | | | | | | Jun-07 | | | | | | |
| | Jul-07 | | | | | | Jul-07 | | | | | | Jul-07 | | | | | | |
| | Aug-07 | | | | | | Aug-07 | | | | | | Aug-07 | | | | | | |
| | Sep-07 | | | | | | Sep-07 | | | | | | Sep-07 | | | | | | |
| | Oct-07 | | | | | | Oct-07 | | | | | | Oct-07 | | | | | | |
| | Nov-07 | | | | | | Nov-07 | | | | | | Nov-07 | | | | | | |
| | Dec-07 | | | | | | Dec-07 | | | | | | Dec-07 | | | | | | |

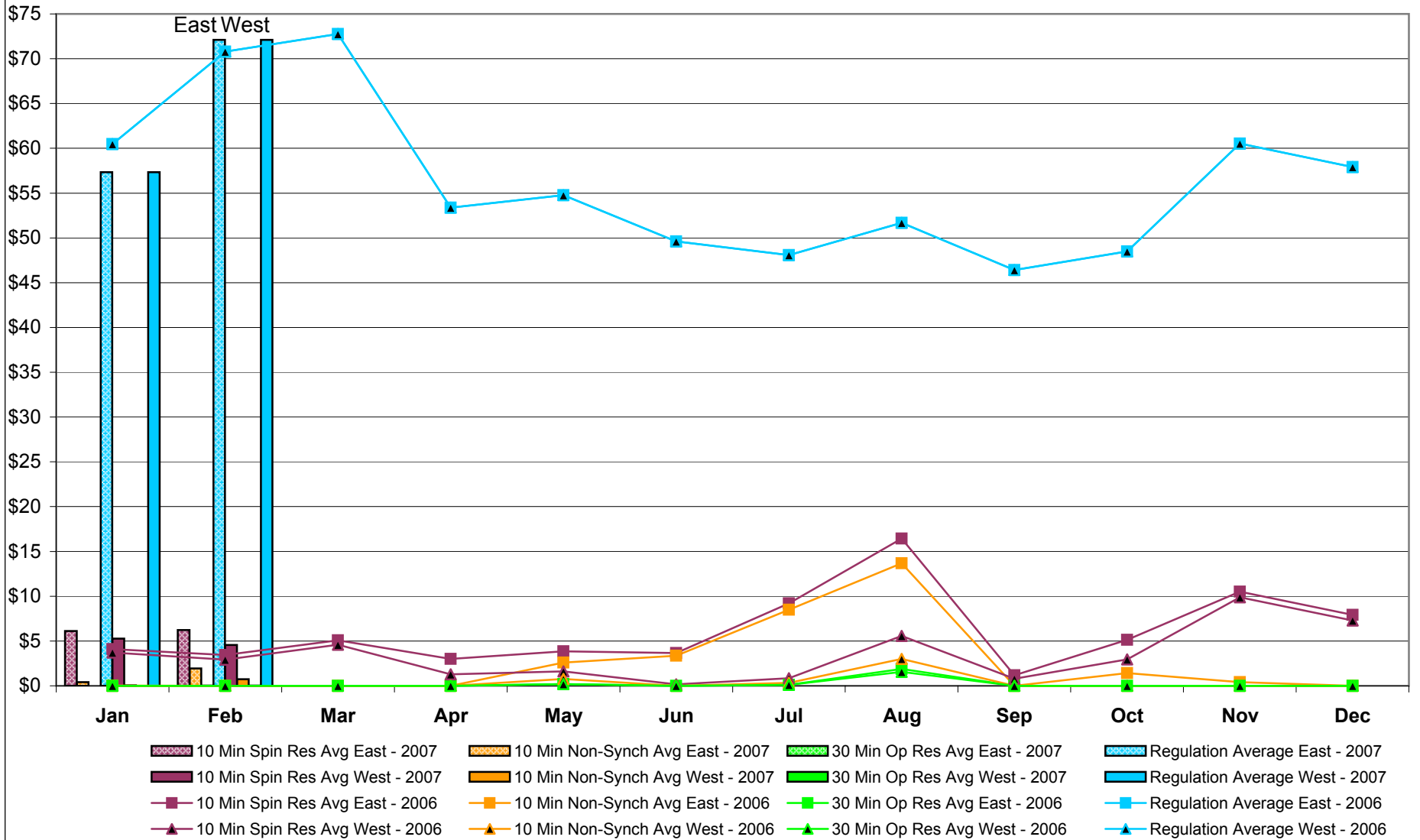
NYISO Multi Hour Block Transactions Monthly Total MWh



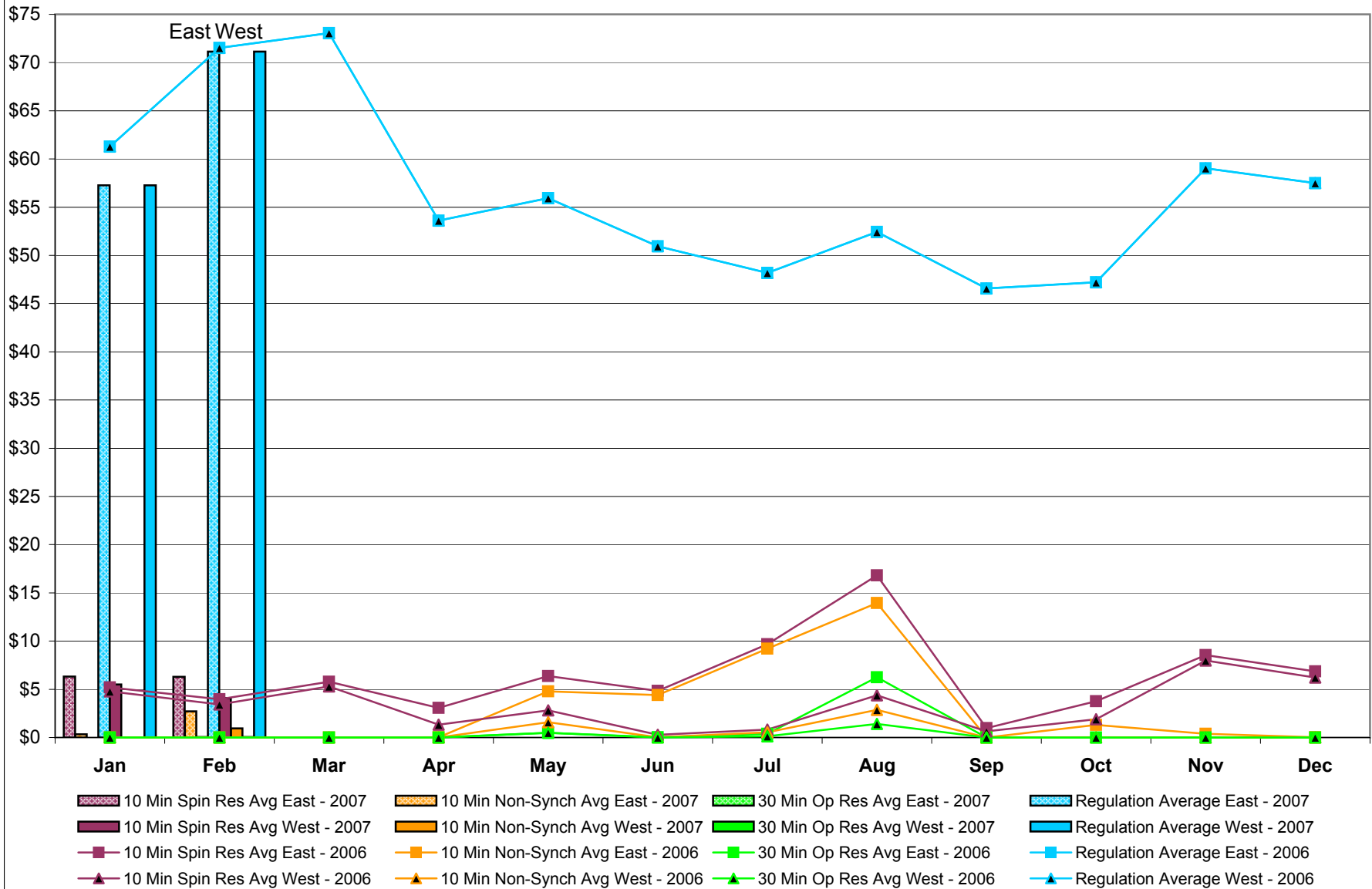
NYISO Monthly Average Ancillary Service Prices Day Ahead Market 2006 - 2007



NYISO Monthly Average Ancillary Service Prices RTC Market 2006 - 2007



NYISO Monthly Average Ancillary Service Prices Real Time Market 2006 - 2007



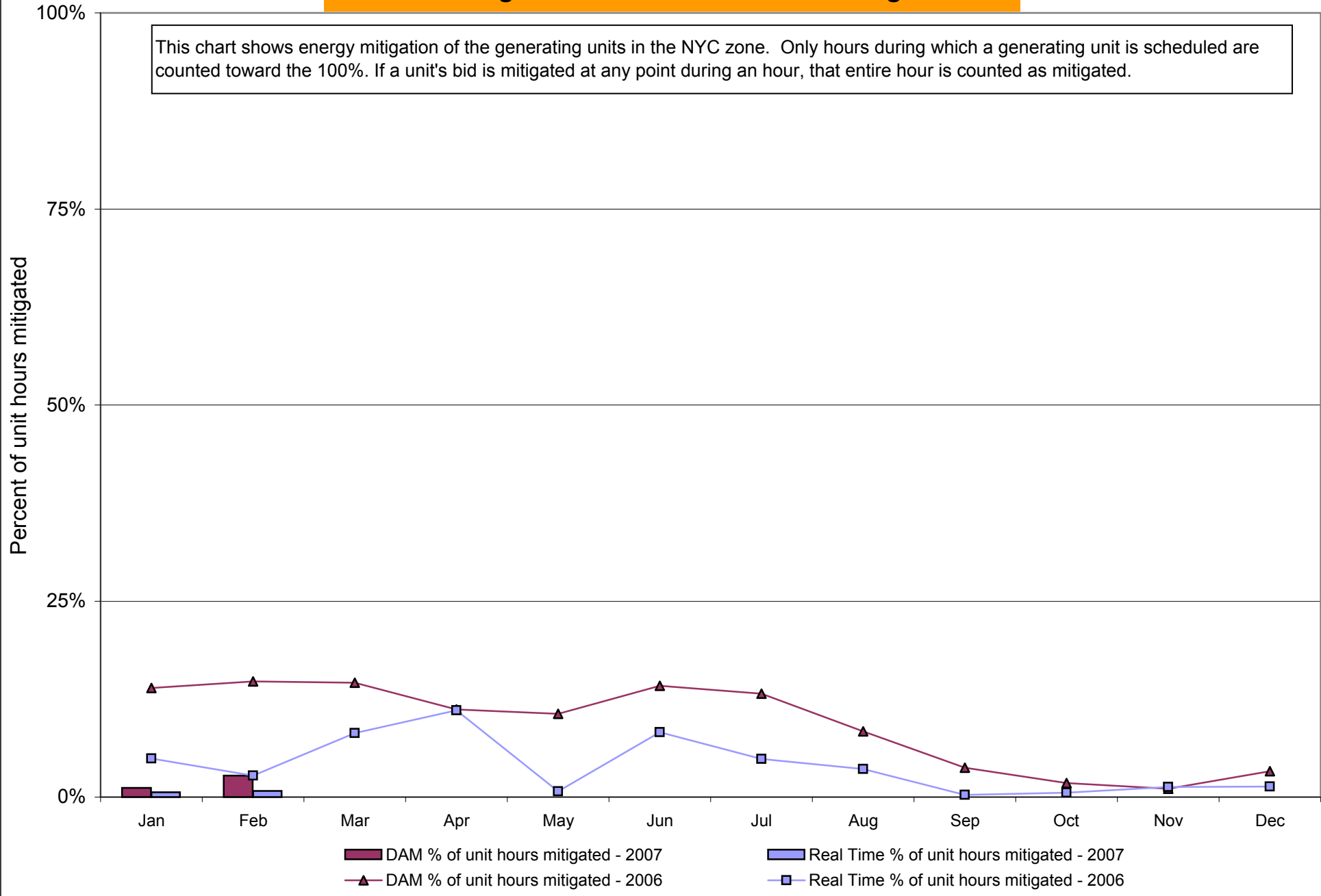
NYISO Markets Ancillary Services Statistics - Unweighted Price (\$/MWH)

| 2007 | <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 | 10.10 | 6.08 | | | | | | | | | | |
| 10 Min Spin West | 8.97 | 5.17 | | | | | | | | | | |
| 10 Min Non Synch East | 2.87 | 2.49 | | | | | | | | | | |
| 10 Min Non Synch West | 2.06 | 1.85 | | | | | | | | | | |
| 30 Min East | 1.79 | 0.85 | | | | | | | | | | |
| 30 Min West | 1.79 | 0.85 | | | | | | | | | | |
| Regulation East | 52.12 | 63.61 | | | | | | | | | | |
| Regulation West | 52.12 | 63.61 | | | | | | | | | | |
| RTC Market | | | | | | | | | | | | |
| 10 Min Spin East | 6.12 | 6.23 | | | | | | | | | | |
| 10 Min Spin West | 5.26 | 4.57 | | | | | | | | | | |
| 10 Min Non Synch East | 0.41 | 1.94 | | | | | | | | | | |
| 10 Min Non Synch West | 0.05 | 0.75 | | | | | | | | | | |
| 30 Min East | 0.00 | 0.04 | | | | | | | | | | |
| 30 Min West | 0.00 | 0.04 | | | | | | | | | | |
| Regulation East | 57.33 | 72.11 | | | | | | | | | | |
| Regulation West | 57.33 | 72.11 | | | | | | | | | | |
| Real Time Market | | | | | | | | | | | | |
| 10 Min Spin East | 6.32 | 6.30 | | | | | | | | | | |
| 10 Min Spin West | 5.51 | 4.10 | | | | | | | | | | |
| 10 Min Non Synch East | 0.34 | 2.72 | | | | | | | | | | |
| 10 Min Non Synch West | 0.01 | 0.95 | | | | | | | | | | |
| 30 Min East | 0.00 | 0.05 | | | | | | | | | | |
| 30 Min West | 0.00 | 0.05 | | | | | | | | | | |
| Regulation East | 57.26 | 71.13 | | | | | | | | | | |
| Regulation West | 57.26 | 71.13 | | | | | | | | | | |
| 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 |

NYISO In City Energy Mitigation (NYC Zone) 2006 - 2007

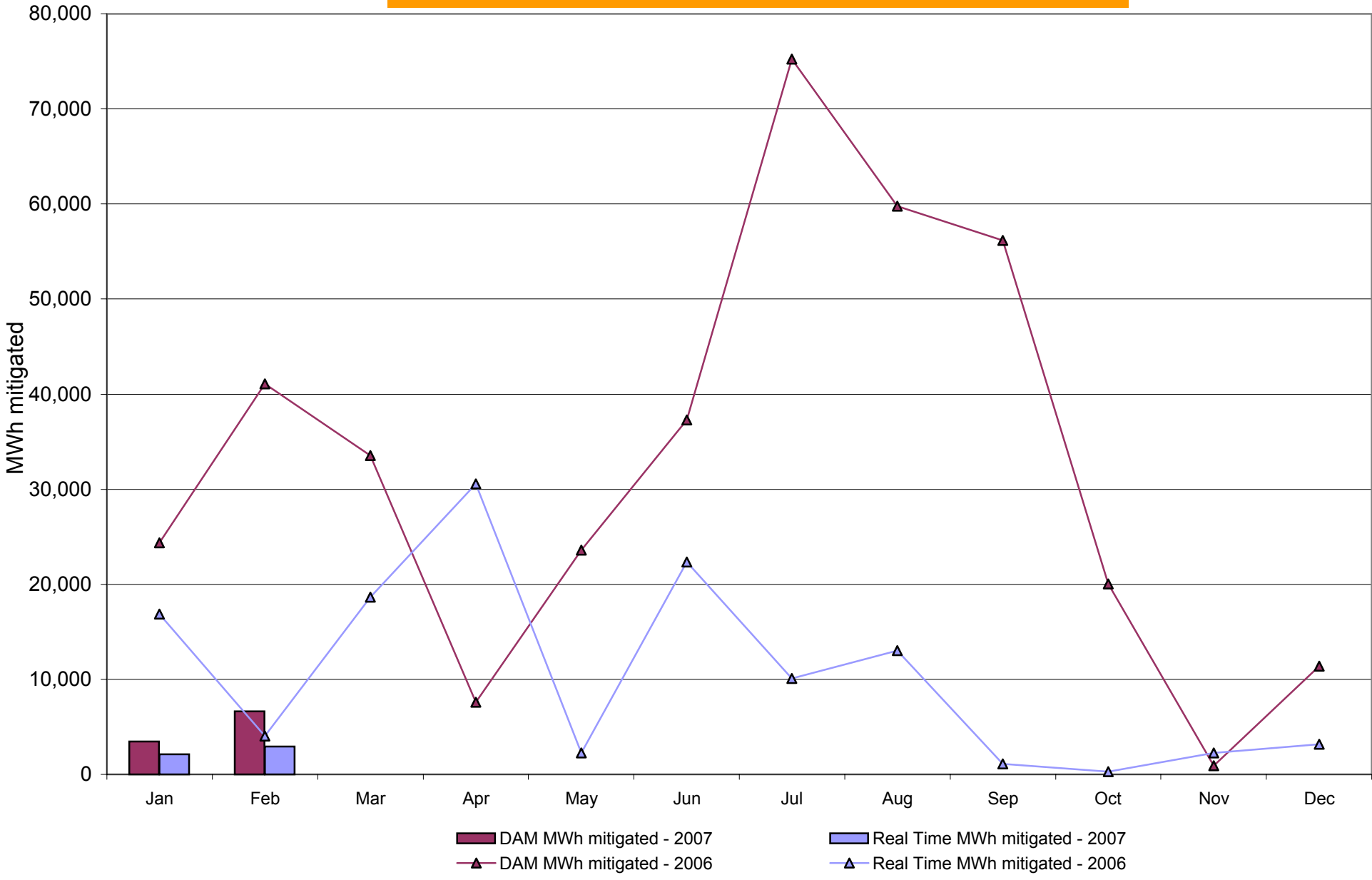
Percentage of committed unit-hours mitigated

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.

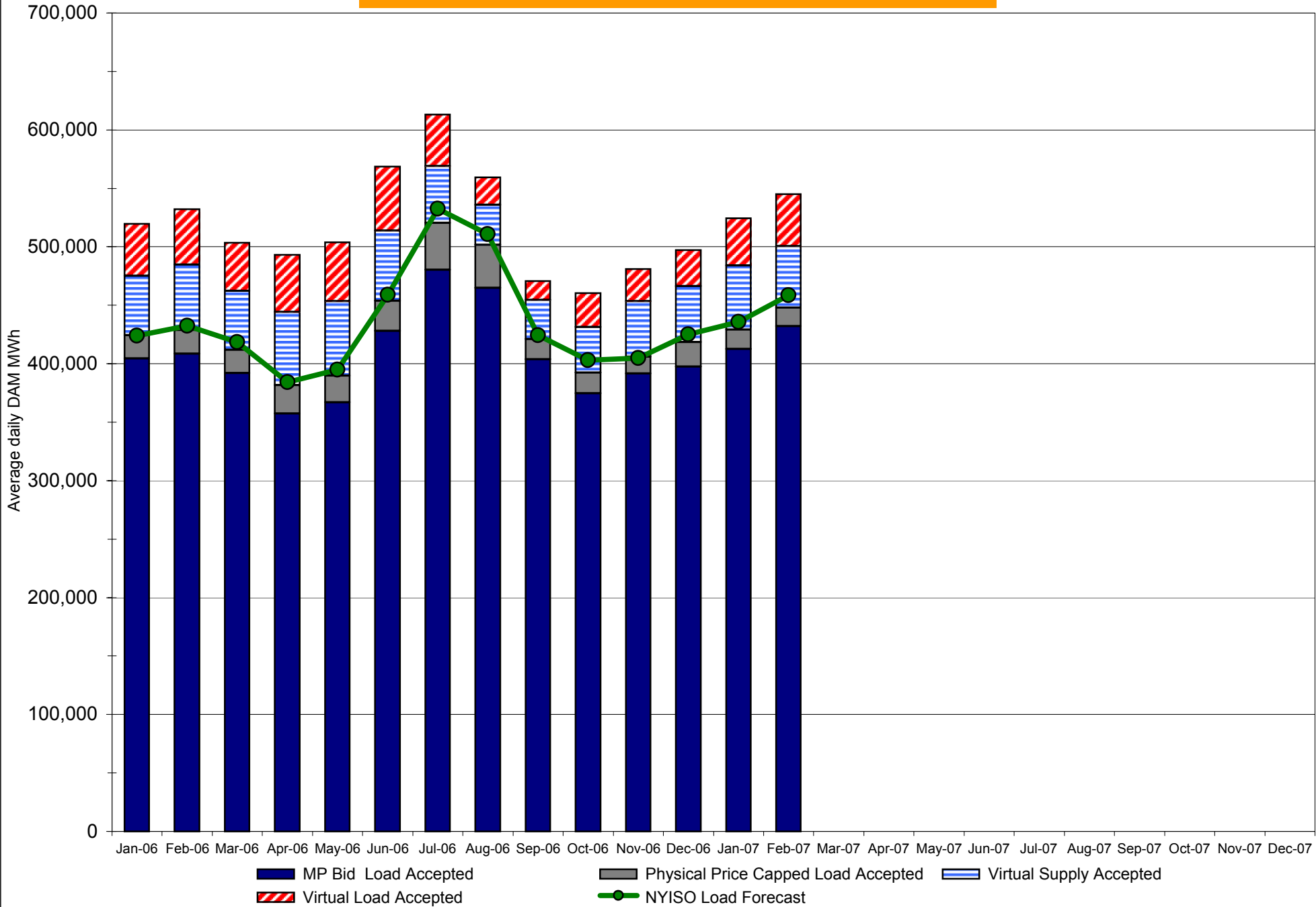


NYISO In City Energy Mitigation (NYC Zone) 2006 - 2007

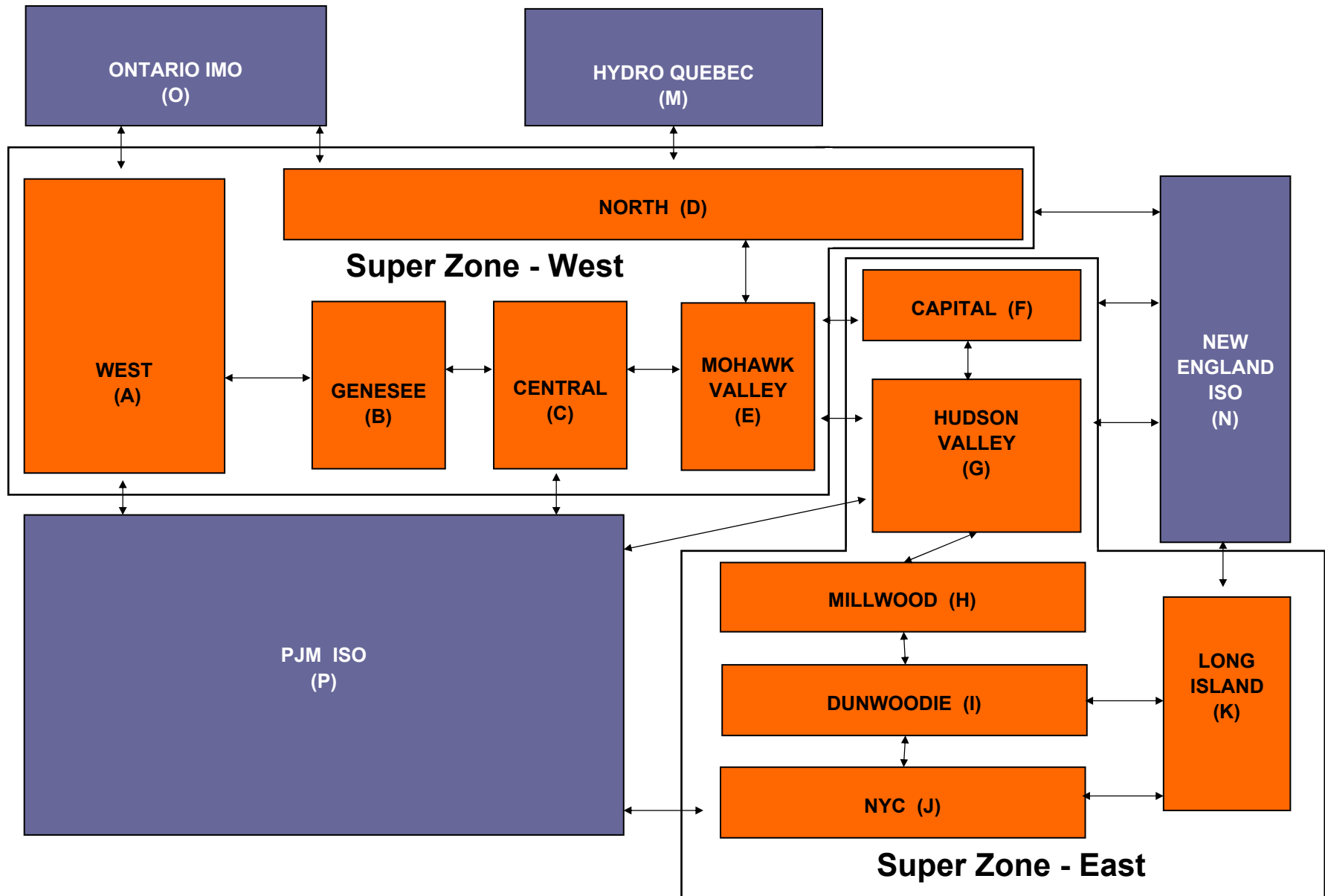
Monthly megawatt hours mitigated



NYISO Average Daily DAM Load Bid Summary



NYISO LBMP ZONES

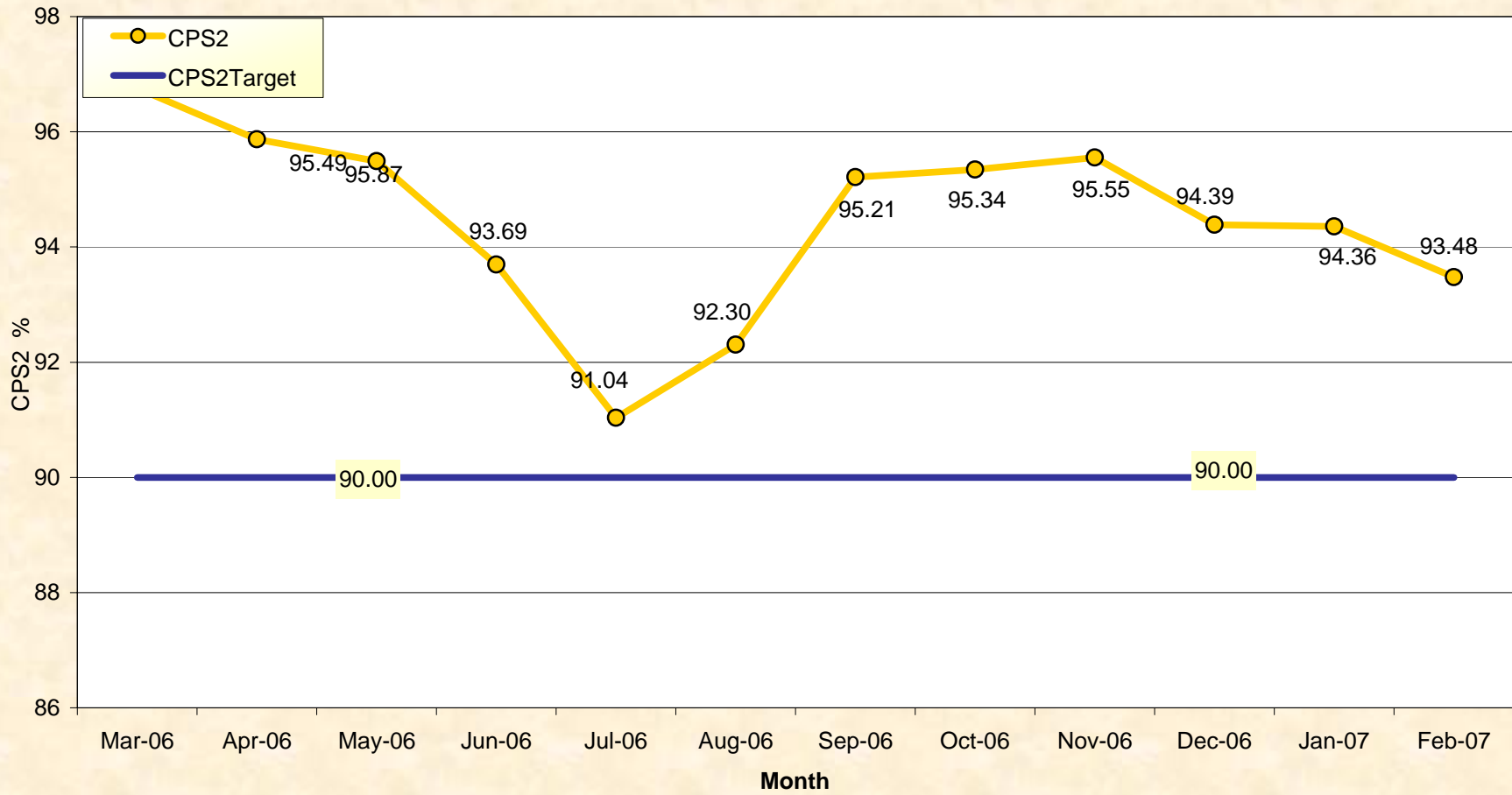


Billing Codes for Chart 4-C

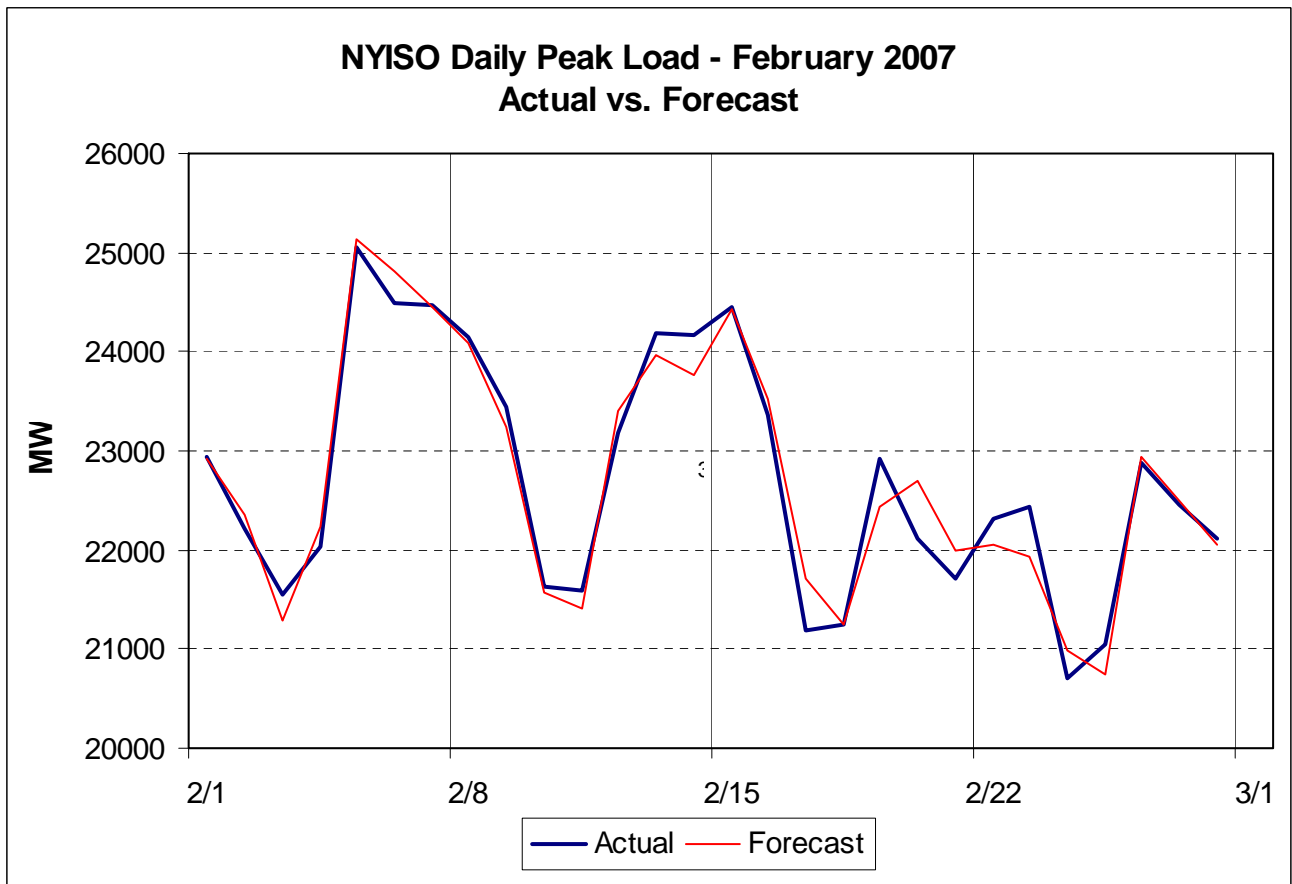
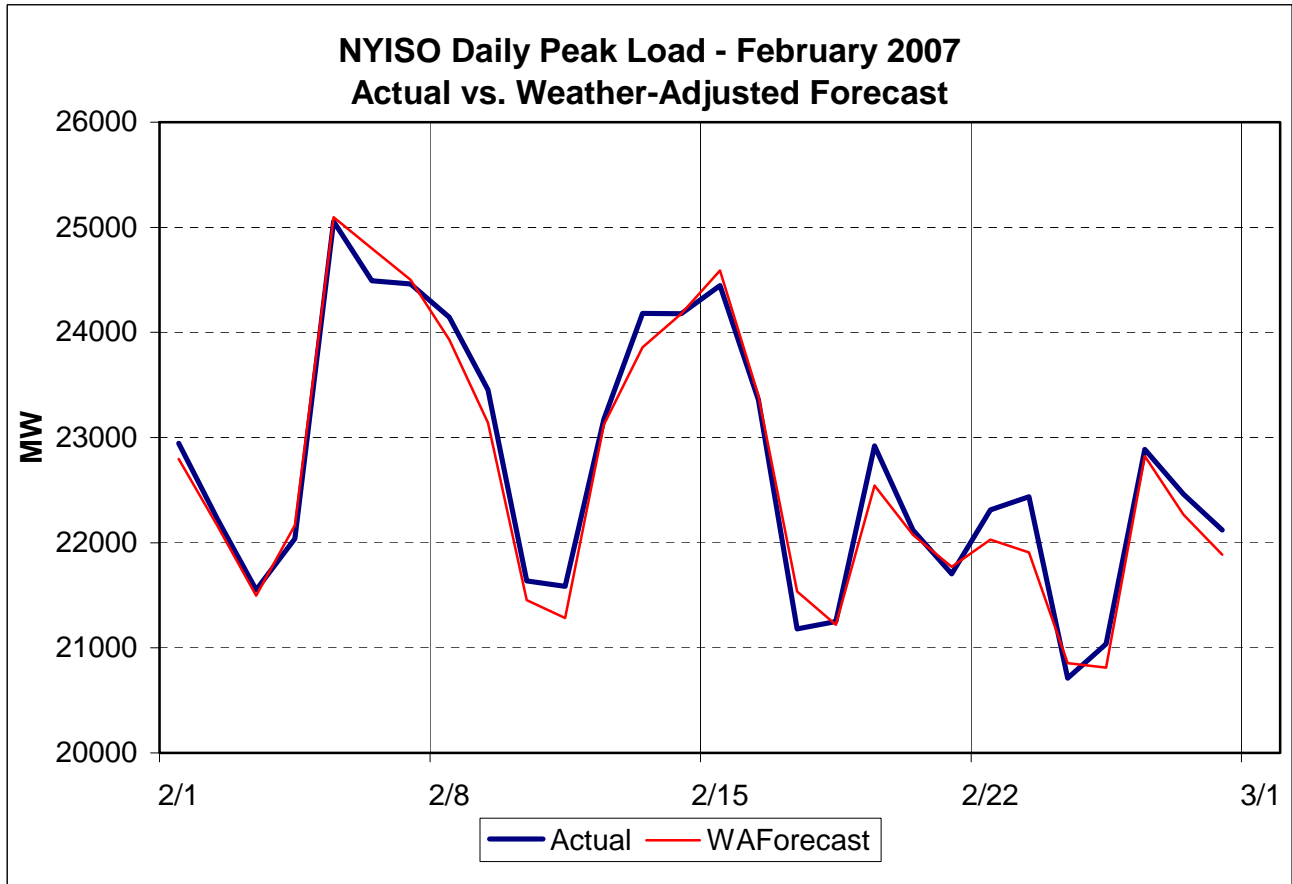
| Chart 4-C Category Name | Billing Code | Billing Category Name |
|---|---------------------|--|
| Bid Production Cost Guarantee Balancing | 81203 | Balancing NYISO Bid Production Cost Guarantee - Internal Units |
| Bid Production Cost Guarantee Balancing | 81204 | Balancing NYISO Bid Production Cost 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

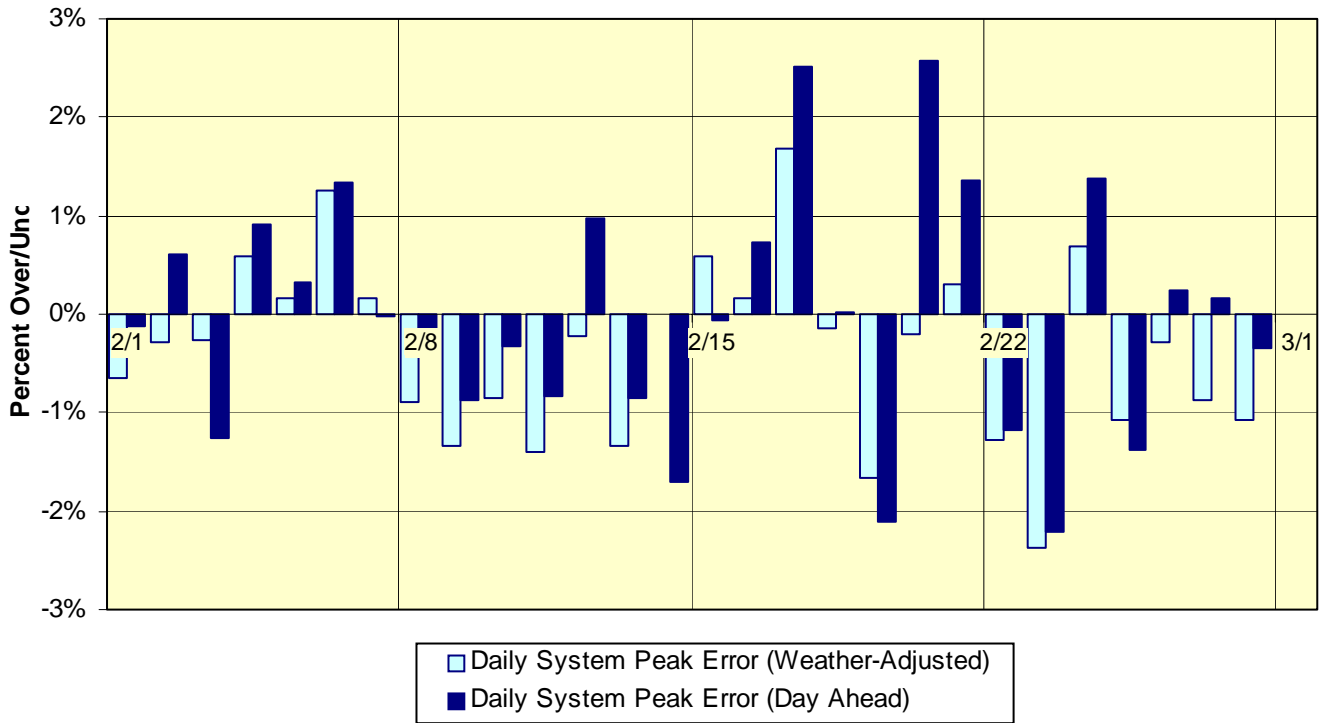
NYISO Compliance
Year 2006/2007



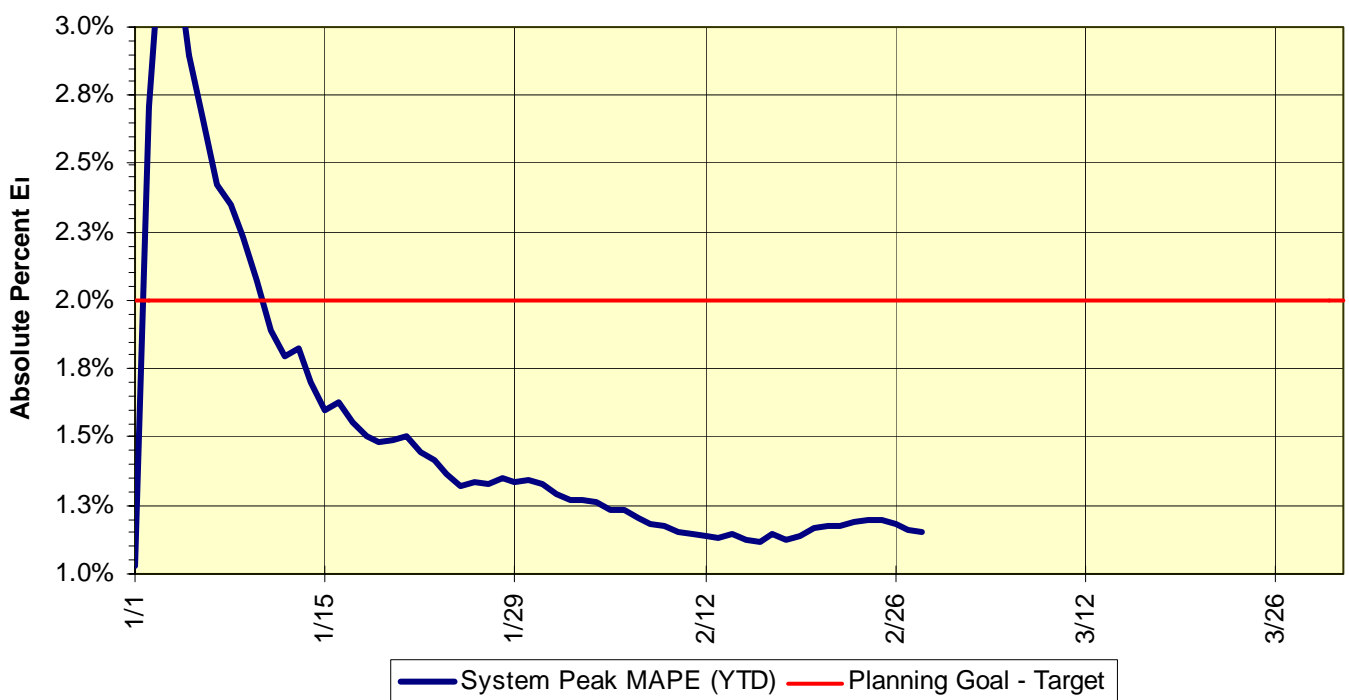
CPS2 for January = 93.48% Compliance Threshold = 90%
CPS2 measures excessive unscheduled power flow resulting from large Area Control Error (ACE)



Day-Ahead Forecast Daily Forecast Errors of System Peak February 2007



Day-Ahead Forecast Cumulative Performance - Daily System Peak 2007 Year-to-Date



January 2007 Detailed Budget vs. Actual Results

| <u>Cost Category</u> | <u>ANNUAL AMOUNTS</u> | | | <u>YTD AMOUNTS AS OF 1/31/07</u> | | |
|---|------------------------|----------------------------|-----------------|----------------------------------|----------------|-----------------|
| | <u>Original Budget</u> | <u>Year-End Projection</u> | <u>Variance</u> | <u>Original Budget</u> | <u>Actuals</u> | <u>Variance</u> |
| Capital | \$ 4.4 | \$ 4.4 | \$ - | \$ 0.4 | \$ 1.6 | \$ 1.2 |
| Salaries & Benefits | \$ 50.6 | \$ 50.6 | \$ - | \$ 4.2 | \$ 4.0 | \$ (0.2) |
| Professional Fees (including Legal) | \$ 32.2 | \$ 32.2 | \$ - | \$ 2.7 | \$ 2.4 | \$ (0.3) |
| Building Services | \$ 4.0 | \$ 4.0 | \$ - | \$ 0.3 | \$ 0.3 | \$ - |
| Computer Services | \$ 13.0 | \$ 13.0 | \$ - | \$ 1.1 | \$ 1.0 | \$ (0.1) |
| Insurance | \$ 3.7 | \$ 3.7 | \$ - | \$ 0.3 | \$ 0.3 | \$ - |
| Telecommunications | \$ 5.0 | \$ 5.0 | \$ - | \$ 0.4 | \$ 0.3 | \$ (0.1) |
| Other Expenses (BOD, Travel/Trng, NPCC Fees) | \$ 5.0 | \$ 5.0 | \$ - | \$ 0.4 | \$ 0.2 | \$ (0.2) |
| Current Year Needs (excluding FERC Fees) | \$ 117.9 | \$ 117.9 | \$ - | \$ 9.8 | \$ 10.1 | \$ 0.3 |
| Debt Service from Prior Year Financings | \$ 35.4 | \$ 35.4 | \$ - | \$ 2.7 | \$ 2.7 | \$ - |
| Cash Budget (excluding FERC Fees) | \$ 153.3 | \$ 153.3 | \$ - | \$ 12.5 | \$ 12.8 | \$ 0.3 |
| Less: Miscellaneous Revenues | \$ (2.3) | \$ (2.3) | \$ - | \$ (0.2) | \$ (0.2) | \$ - |
| Less: Proceeds from 2006 Budget Debt | \$ (15.0) | \$ (15.0) | \$ - | \$ - | \$ - | \$ - |
| Less: Proceeds from 2006 budget underrun and load overcollections | \$ (5.0) | \$ (5.0) | \$ - | \$ (0.4) | \$ (0.4) | \$ - |
| Add: Interest on 2006 Budget Debt | \$ 0.5 | \$ 0.5 | \$ - | \$ - | \$ - | \$ - |
| Net Budget Needs (excluding FERC Fees) | \$ 131.5 | \$ 131.5 | \$ - | \$ 11.9 | \$ 12.2 | \$ 0.3 |
| FERC Fees | \$ 8.2 | \$ 8.2 | \$ - | \$ 0.7 | \$ 0.7 | \$ - |
| Rate Schedule #1 Revenue Requirement | \$ 139.7 | \$ 139.7 | \$ - | \$ 12.6 | \$ 12.9 | \$ 0.3 |

| Description | | Status and Milestone Deliverables |
|--|--|--|
| Energy Marketplace Product Enhancements | | |
| A767 | MIS Enhancements: Comprehensive Bid Management System | <p>Status: The first phase of this multi-phase project was successfully deployed into production on January 16, 2007. The features that were deployed was the replacement of 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 as well as the Upload / Download mechanisms for both load and transactions. 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: The first phase of this multi-phase project was successfully deployed into production on March 1, 2007. The features deployed will enable the Price Validation team to more effectively track, report, and manage price corrections and reservations. The next phase of the project is in the detailed requirements phase and moving towards a 4th quarter 2007 deployment.</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> |
| A922 | PJM Proxy Bus Pricing | <p>Status: This project has completed the requirements and design phases, and is currently in development. Approval has been achieved from Market Participants on the necessary rule changes. 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> |
| A921 | Transmission Constraint Pricing | <p>Status: This project has completed the requirements and design phases, and is currently in development. Approval has been achieved from Market Participants on the necessary rule changes. 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 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> |

| Description | | Status and Milestone Deliverables |
|--|--|---|
| Auxiliary Market Product Enhancements | | |
| A906 | ICAP Auction Automation – Phase II | <p>Status: This project is starting the requirements processes, and is proceeding according to the project schedule. Software deployment is targeted for the latter part of 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 in the detailed 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, and this point creates a substantial risk to meeting the commitment for a 4th quarter 2007 delivery. Plans are being analyzed to mitigate those risks.</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, but severe resource constraints on the part of the business owner (Aux. Market Operations) have caused progress on that deliverable to lag the schedule. Plans are being implemented to help mitigate that schedule risk.</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. 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. Phase 3 will follow in 2008.</p> |
| Operations and Reliability Product Enhancements | | |
| A916 | HQ Netting | <p>Status: This project has completed the requirements and design phases, and is currently in development. Approval has been achieved from Market Participants on the necessary rule changes. 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> |

| Description | Status and Milestone Deliverables |
|--|---|
| <p>A843 Integration of OOM and SRE Applications</p> | <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> |
| <p>A862 Controllable Tie Line Additions: Dennison-Cedars Line</p> | <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. Approval has been achieved from Market Participants on the necessary rule changes. 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> |
| <p>A862 Controllable Tie Line Additions: 1385 Line</p> | <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> |
| <p>A862 Controllable Tie Line Additions: Project Neptune Line</p> | <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. Approval has been achieved from Market Participants on the necessary rule changes. 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 | |
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| <p>A845 Settlement System Replacement (SSR) / Billing Engine</p> | <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 project schedule had slipped from the original schedule due to a longer than expected development cycle for the system framework and infrastructure build-out, as well as planned scope expansion resulting from settlements modifications driven by other business critical projects. The project schedule has also been impacted by project activities of the data center migration. Certification of the billing software (Project A885) is a necessary prerequisite for deployment of this project. Assuming successful completion of the dependency projects, the project team is targeting a late 2nd quarter deliverable.</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> |
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| <p>A885 Settlements Rules Engine Certification</p> | <p>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 have been reviewed with Market Participants and the regulatory approval process to execute the necessary tariff modifications is progressing.</p> <p>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.</p> |
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| <p>A893 Web Based Reconciliation Replacement</p> | <p>Status: This project is in the detailed requirements and initial development phases. 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 was accelerated from the original commitment 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> |
|--|--|

| Description | | Status and Milestone Deliverables |
|---|---------------------------------------|---|
| 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> |
| 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 2nd, 3rd and 4th floors of the new Krey Corporate Center (KCC) facility, and the migration of the data center to the 2nd floor has started. 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. Once ready, this facility would enable the migration from former / existing NYISO facilities at Washington Avenue, Wolf Road, and Western Turnpike.</p> |

NYISO REGULATORY FILINGS – February 2007

- Feb. 1, 2007 NYISO filing of an informational report setting forth a specific timetable for completion of guarantee payment mitigation based bill corrections (ER06-185-007)
- Feb. 1, 2007 NYISO filing of a price validation informational report (ER06-1014-002)
- Feb. 2, 2007 SCS Astoria filing of motion to dismiss NYISO's 12/1/06 complaint regarding standards for the ICAP qualifications (EL07-18-000)
- Feb. 2, 2007 NYISO Section 205 filing of proposed tariff revisions regarding credit requirements for customers withdrawing from the NYISO administered markets (ER07-507-000)
- Feb. 2, 2007 Third party filing of comments regarding NYISO's 12/1/06 complaint against SCS Astoria (EL07-18-000)
- Feb. 5, 2007 NYISO compliance filing in response to Long-Term Firm Transmission Rights 7/20/06 order (RM06-8-003)
- Feb. 7, 2007 NYISO filing of an answer to comments regarding the in-city ICAP mitigation measure proposal (ER07-360-000)
- Feb. 9, 2007 NYISO/PJM joint filing in response to Con Edison's 1/19/07 third report regarding effectiveness of the operating protocol in the ISO vs. Con Ed proceeding (EL021-23-012)
- Feb. 12, 2007 NYISO/PJM/ISO-NE joint tariff submission of the procedure to protect for the loss of Phase II Imports in conformance with Order No. 614 (ER07-231-000)
- Feb. 12, 2007 NYISO joint ISO/RTO Council filing of comments on FERC staff's preliminary assessment of eight cyber security standards (RM06-22-000)
- Feb. 13, 2007 NYISO filing regarding out-of-merit generators that return to in-merit status (ER07-33-000/001)
- Feb. 14, 2007 NYISO filing of the 2007 reliability needs assessment and comprehensive reliability planning process as supporting document and appendices
- Feb. 15, 2007 Keyspan complaint v NYISO regarding minimum burn limits (EL07-35-000)
- Feb. 16, 2007 NYISO filing of comments to the NYPSC regarding the adoption of an installed reserve margin for the NYCA (Case 07-E-0080)

- Feb. 16, 2007 NYISO filing of an answer to Astoria's 2/1/07 answer to dismiss complaint regarding standards for the ICAP qualifications (EL07-18-000)
- Feb. 16, 2007 NYISO filing of an answer to multiple third party comments and a correction of previously filed reports regarding demand side and new generation programs in the NYCA (ER01-3001-016, ER03-647-009)
- Feb. 20, 2007 Keyspan-Ravenswood filing of motion to strike responses of the NYISO and Con Edison regarding NYISO's proposal to modify the ICAP mitigation measures (ER07-360-000)
- Feb. 21, 2007 NYISO compliance filing of a report regarding operating reserves cost allocation adjustments (ER07-99-000)
- Feb. 23, 2007 NYISO filing of a request for limited waiver of certain provision of its Services Tariff that would require it to correct settlements of bid production cost guarantee payments for in-city generators (ER06-185-002)
- Feb. 23, 2007 Third party filing of motion to intervene regarding NYISO's 2/2/07 filing of proposed tariff revisions involving customer withdrawal from the NYISO administered markets (ER07-507-000)
- Feb. 23, 2007 NYISO Section 205 filing of tariff revisions regarding implementation of the Neptune and Dennison Scheduled Lines (ER07-570-000)
- Feb. 26, 2007 Multiple third party filings of motions to intervene and comment regarding NYISO's long term FTR compliance filing (ER05-521-000)
- Feb 28, 2007 Keyspan answer to Astoria's motion seeking sanctions and to request FERC to continue consideration of the NYISO complaint regarding standards for the ICAP qualifications (EL07-18-000)

This list is current as of 8:45 A.M. March 2, 2007.

FERC ORDERS – February 2007

- Feb. 5, 2006 FERC letter order accepting NYISO's 1/16/07 tariff filing regarding recovery of NERC fees
(ER07-432-000)
- Feb. 13 2006 FERC letter order accepting NYISO's 1/9/07 tariff filing regarding customer prepayment programs for collateral requirements
(ER07-422-000)
- Feb. 15, 2007 FERC order denying LIPA's complaint v. NYISO regarding an alleged violation of its capacity market rules
(EL07-16-000)
- Feb. 16, 2007 FERC letter order accepting NYISO's tariff filing regarding allocation of operating reserves costs on an hourly basis consistent with NYISO's billing and accounting software
(ER07-446-000)
- Feb. 27. 2007 FERC letter order accepting NYISO's 1/29/07 tariff filing regarding the methodology for calculating bad debt losses and customer's required contributions to the NYISO's working capital fund
(ER07-474-000)

This list is current as of 8:44 A.M. February 28, 2007.