Market Performance Report for October 2008

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Market Highlights

- October was a quiet month.

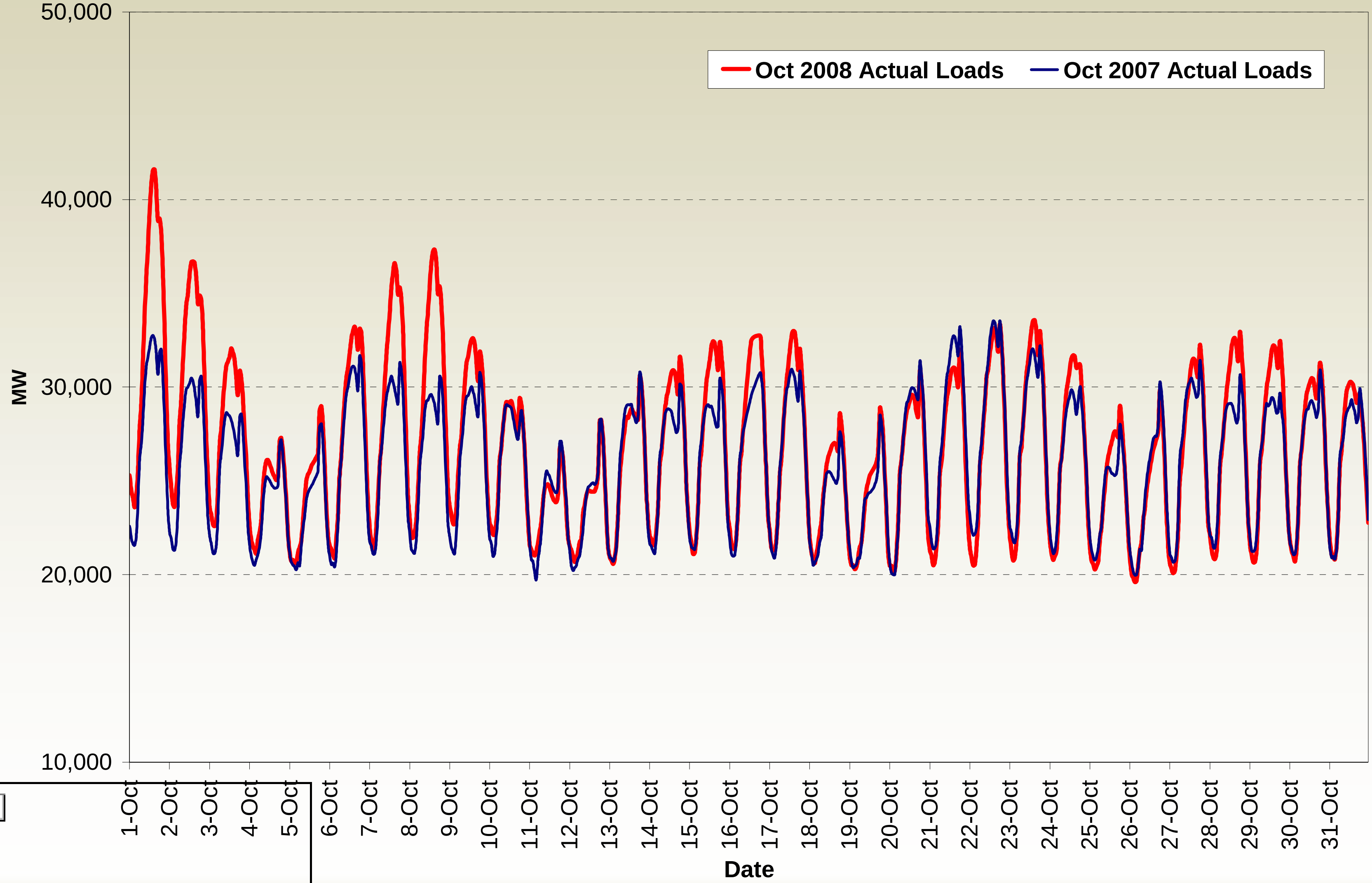
- There were frequent instances of market separation due to seasonal congestion on Path 15. Congestion was compounded by the planned outage of Path 15.

- The Path 15 derate also contributed to significantly higher Inter-zonal congestion costs.

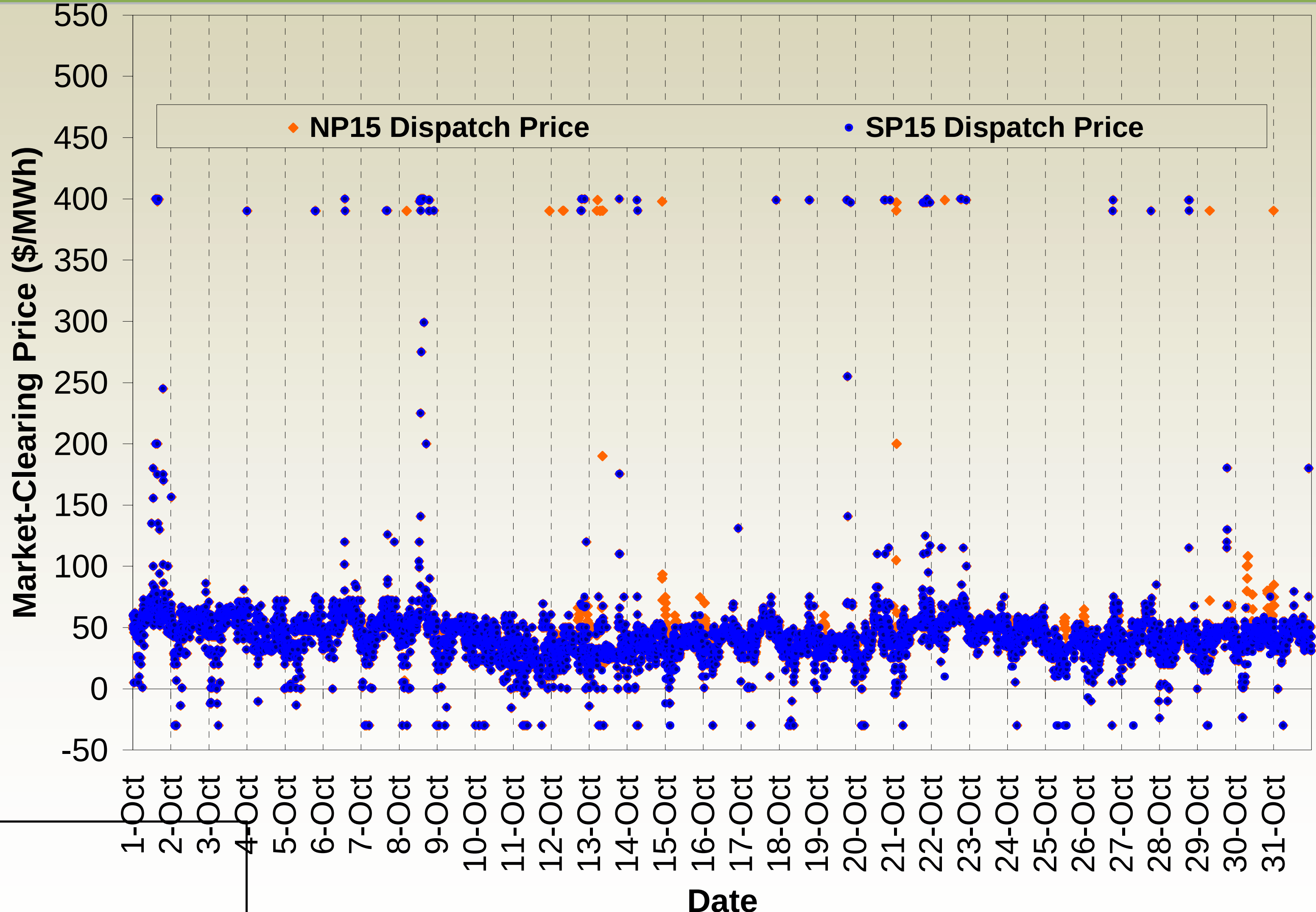
Monthly Market Performance Metrics

Monthly Metrics	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Avg
Average Gas Price	$6.80	$7.05	$7.00	$7.78	$8.31	$9.09	$9.96	$9.98	$11.78	$10.00	$7.79	$6.38	**$5.26**	$8.24
Average On-Peak Contract Price	$71.89	$64.21	$70.41	$76.90	$77.52	$84.41	$97.74	$89.18	$106.61	$105.00	$84.85	$68.45	**$55.94**	$81.01
Average Real-Time Price	$56.59	$56.95	$62.84	$70.64	$66.07	$75.88	$89.10	$64.21	$86.18	$81.27	$75.10	$63.09	**$51.34**	$69.17
No. of Price Spikes Over $250	93	72	122	192	192	171	225	195	465	165	247	192	**137**	190
Costs Incurred over $250 (percent)	27%	16%	29%	28%	26%	21%	25%	25%	36%	23%	36%	36%	**25%**	27%
AS Cost ($ per MWh)	$0.47	$0.56	$ 0.50	$ 0.45	$0.63	$0.73	$0.77	$1.18	$1.92	$0.99	$0.48	$0.39	**$0.45**	$0.73
RA Unit Commitment Costs ($M)	$4.3	$5.0	$5.0	$7.0	$4.0	$4.0	$5.0	$16.0	$14.0	$13.0	$10.0	$9.0	**$6.0**	$7.9
FERC Unit Commitment Costs ($M)	$3.8	$0.6	$0.1	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	**$0.0**	$0.3
Inc OOS Redispatch Costs ($M)	$4.5	$2.0	$3.1	$3.4	$3.0	$2.9	$1.8	$12.0	$3.2	$4.3	$2.2	$3.1	**$4.1**	$3.8
Dec OOS Redispatch Costs ($M)	$2.5	$2.5	$1.2	$2.3	$2.5	$1.1	$0.6	$1.7	$1.7	$1.6	$3.4	$2.0	**$1.1**	$1.9
Total Interzonal Congestion ($M)	$12.9	$10.3	$12.3	$6.1	$1.9	$9.0	$4.5	$18.2	$56.7	$14.2	$4.9	$7.6	**$15.3**	$13.4

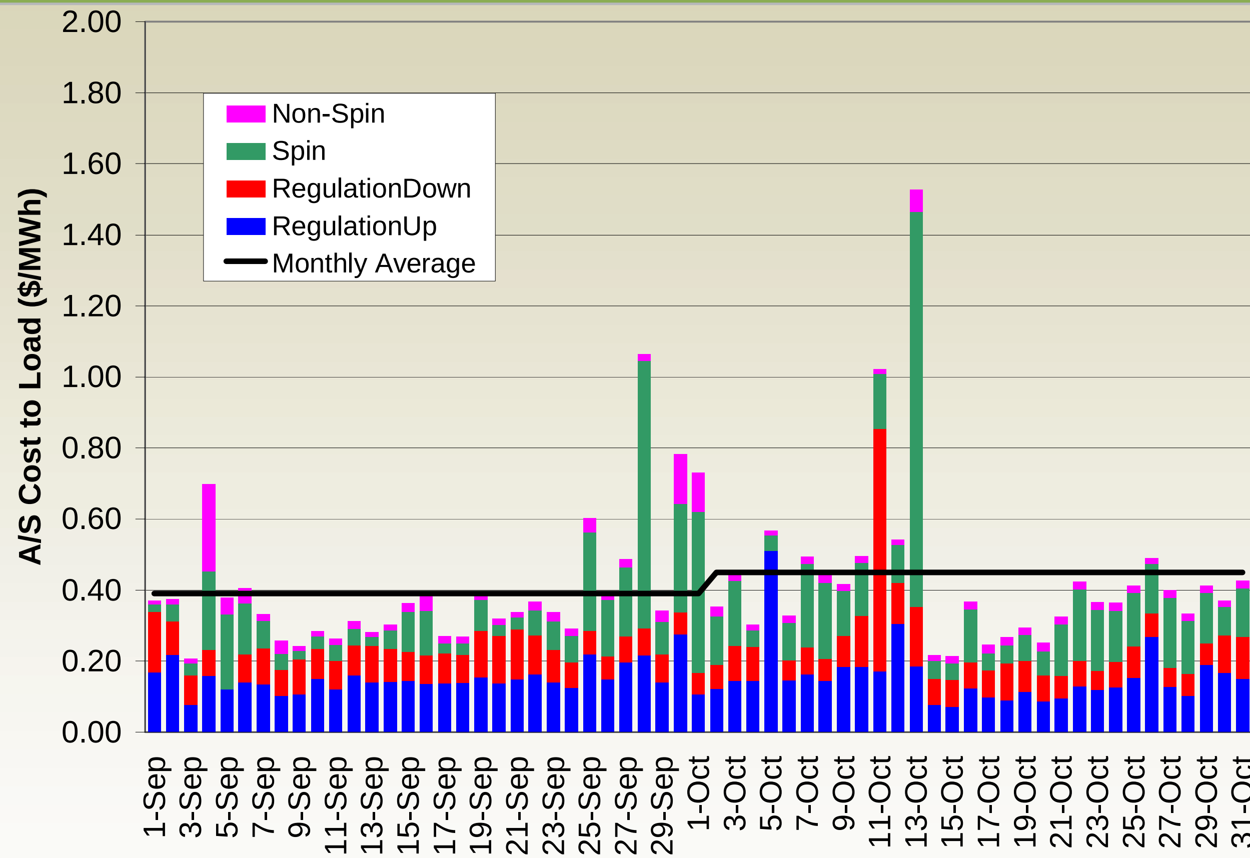
Loads peaked at 41,597 MW on October 1st



The number of price spikes fell to 137 from 192



Ancillary services cost to load up to $0.45 from $.39



	Average Procured (MW)				Weighted Average Price ($/MW)			
	RU	RD	SP	NS	RU	RD	SP	NS
Sep 08	373	357	970	890	$ 12.78	$ 7.98	$ 3.71	$ 1.22
Oct 08	389	357	822	838	$ 12.75	$ 9.06	$ 6.59	$ 0.95
	4.4%	-0.1%	-15.2%	-5.9%	-0.2%	13.5%	77.4%	-22.0%

Inter-zonal congestion costs rose to $15.3 million from $7.6 million