

Market Performance Report for March 2008



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Board of Governors
General Session
May 21 - 23, 2008

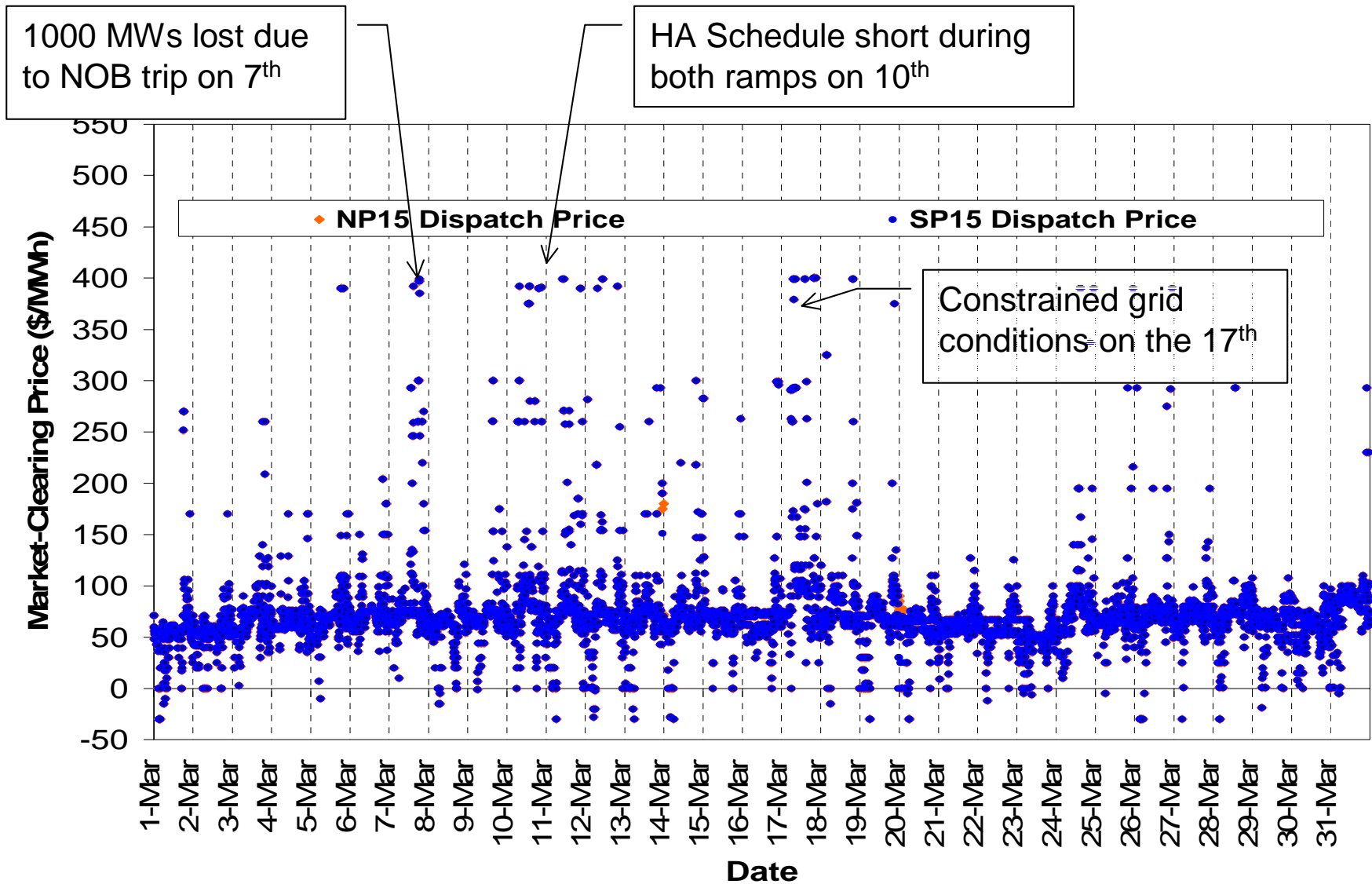
Market Highlights

- 🌐 March was a quiet month
- 🌐 Transmission line outages drove the majority of unit commitment costs
- 🌐 Inter-zonal Congestion costs increased sharply due to a derate of Path 15

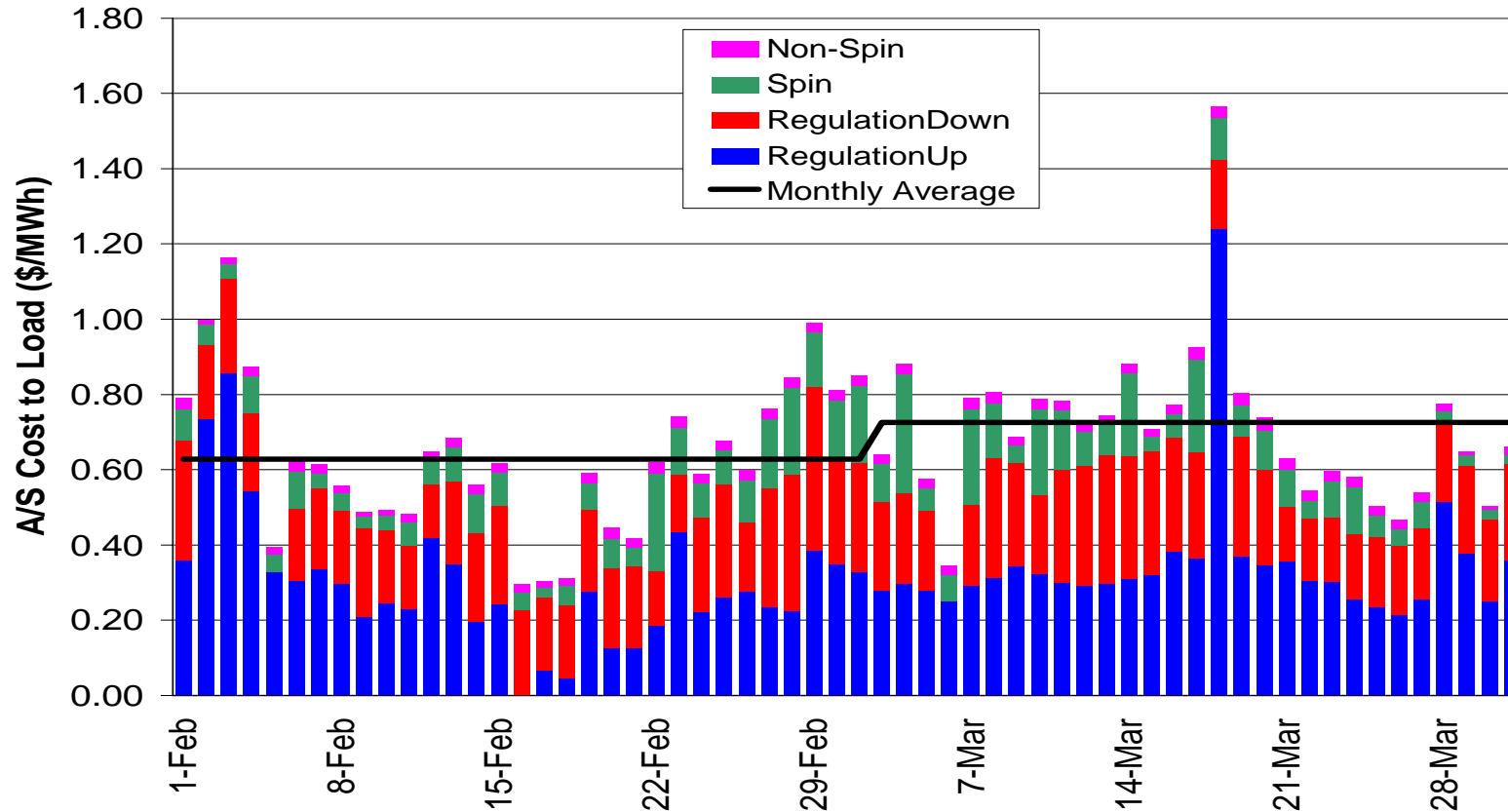
Monthly Market Performance Metrics

Monthly Metrics	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Avg
Average Gas Price	\$6.53	\$7.19	\$7.27	\$6.89	\$6.14	\$5.93	\$5.73	\$6.80	\$7.05	\$7.00	\$7.78	\$8.31	\$9.09 ↑	\$7.10
Average On-Peak Contract Price	\$54.90	\$64.78	\$75.04	\$68.47	\$71.76	\$71.40	\$59.64	\$71.89	\$64.21	\$70.41	\$76.90	\$77.52	\$84.41 ↑	\$71.37
Average Real-Time Price	\$41.75	\$50.24	\$59.14	\$54.85	\$55.84	\$62.44	\$47.22	\$56.59	\$56.95	\$62.84	\$70.64	\$66.07	\$75.88 ↑	\$59.89
No. of Price Spikes Over \$250	131	203	101	77	79	167	10	93	72	122	192	192	171 ↑	123
Costs Incurred over \$250 (percent)	24%	33%	22%	18%	14%	24%	3%	27%	16%	29%	28%	26%	21% ↑	22%
AS Cost (\$ per MWh)	\$0.58	\$0.38	\$0.74	\$0.59	\$1.16	\$0.78	\$0.58	\$0.47	\$0.56	0.5	0.45	0.63	0.73 ↑	\$0.63
RA Unit Commitment Costs (\$M)	\$1.3	\$2.1	\$1.9	\$3.4	\$4.8	\$3.2	\$2.9	\$4.3	\$5.0	\$5.0	\$7.0	\$4.0	\$4.0 ↑	\$4.0
FERC Unit Commitment Costs (\$M)	\$0.7	\$0.1	\$0.0	\$1.4	\$1.4	\$1.4	\$0.8	\$3.8	\$0.6	\$0.1	\$0.0	\$0.0	\$0.0 ↑	\$0.8
Inc OOS Redispatch Costs (\$M)	\$1.1	\$1.7	\$1.5	\$1.2	\$2.1	\$1.2	\$1.2	\$4.5	\$2.0	\$3.1	\$3.4	\$3.0	\$2.2 ↑	\$2.3
Dec OOS Redispatch Costs (\$M)	\$0.4	\$0.3	\$0.7	\$0.3	\$0.4	\$0.5	\$0.3	\$2.5	\$2.5	\$1.2	\$2.3	\$2.5	\$1.0 ↑	\$1.2
Total Interzonal Congestion (\$M)	\$8.1	\$5.0	\$12.5	\$4.5	\$4.2	\$3.1	\$4.3	\$12.9	\$10.3	\$12.3	\$6.1	\$1.9	\$9.0 ↑	\$7.2

Number of Price Spikes Down to 171 from 192

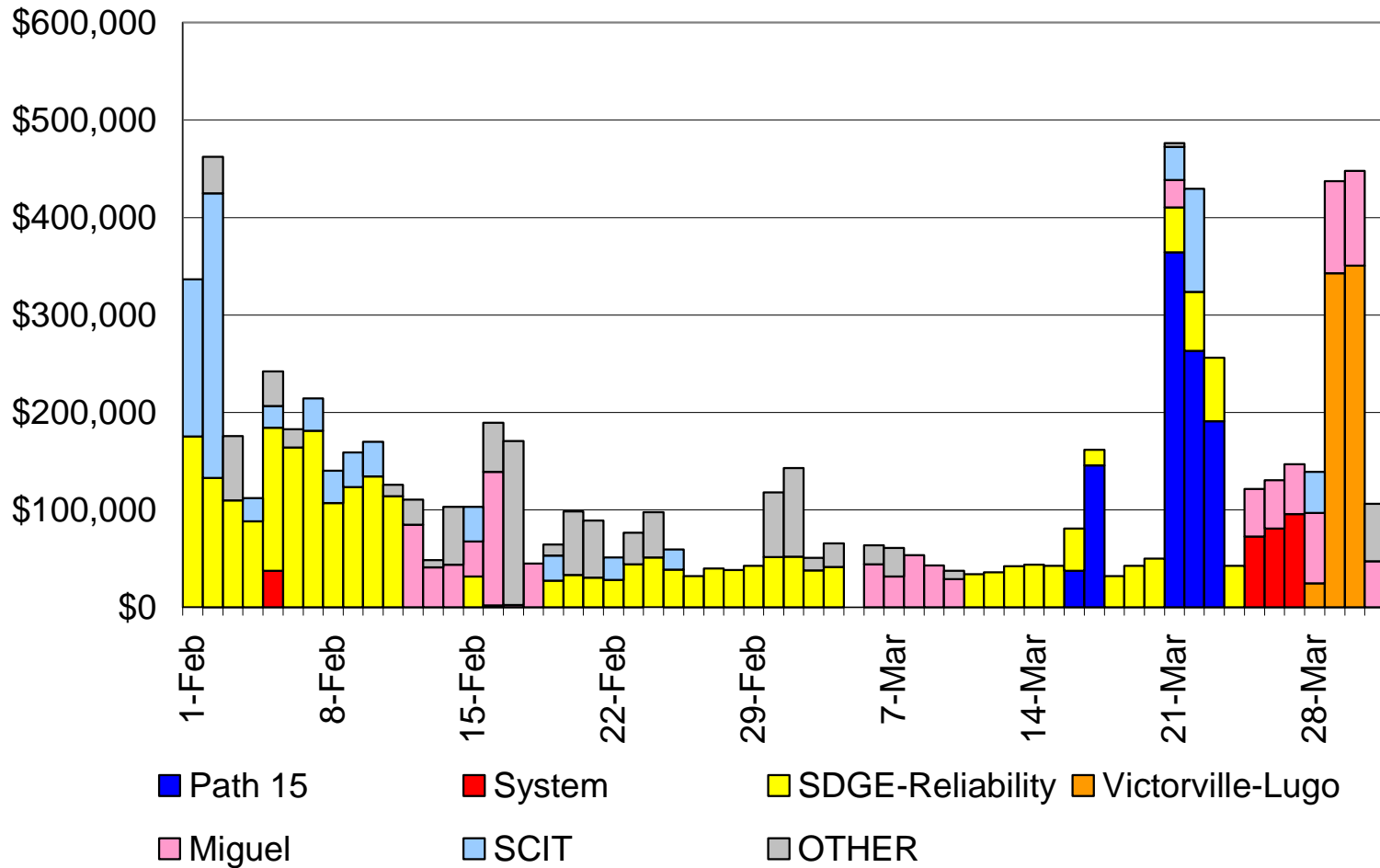


AS Cost to Load Increases Slightly



	Average Required (MW)				Weighted Average Price (\$/MW)			
	RU	RD	SP	NS	RU	RD	SP	NS
Feb 08	373	357	801	808	\$ 19.99	\$ 16.09	\$ 2.78	\$ 0.74
Mar 08	364	356	798	797	\$ 23.58	\$ 16.97	\$ 3.43	\$ 0.80
% Diff	-2.3%	-0.2%	-0.3%	-1.4%	17.9%	5.5%	23.4%	8.5%

Total Unit Commitment Costs Unchanged at \$4M



Inter-zonal Congestion Costs Up \$7M to \$9M

