



Market Performance Report for August 2008

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Market Highlights

- August was a quiet month.
- Ancillary service and inter-zonal congestion costs down sharply.
- South to North flows on Path 15 caused high decremental out-of-sequence costs.

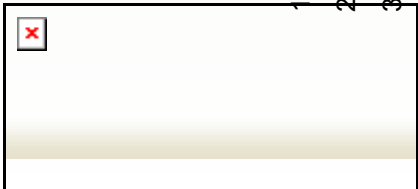
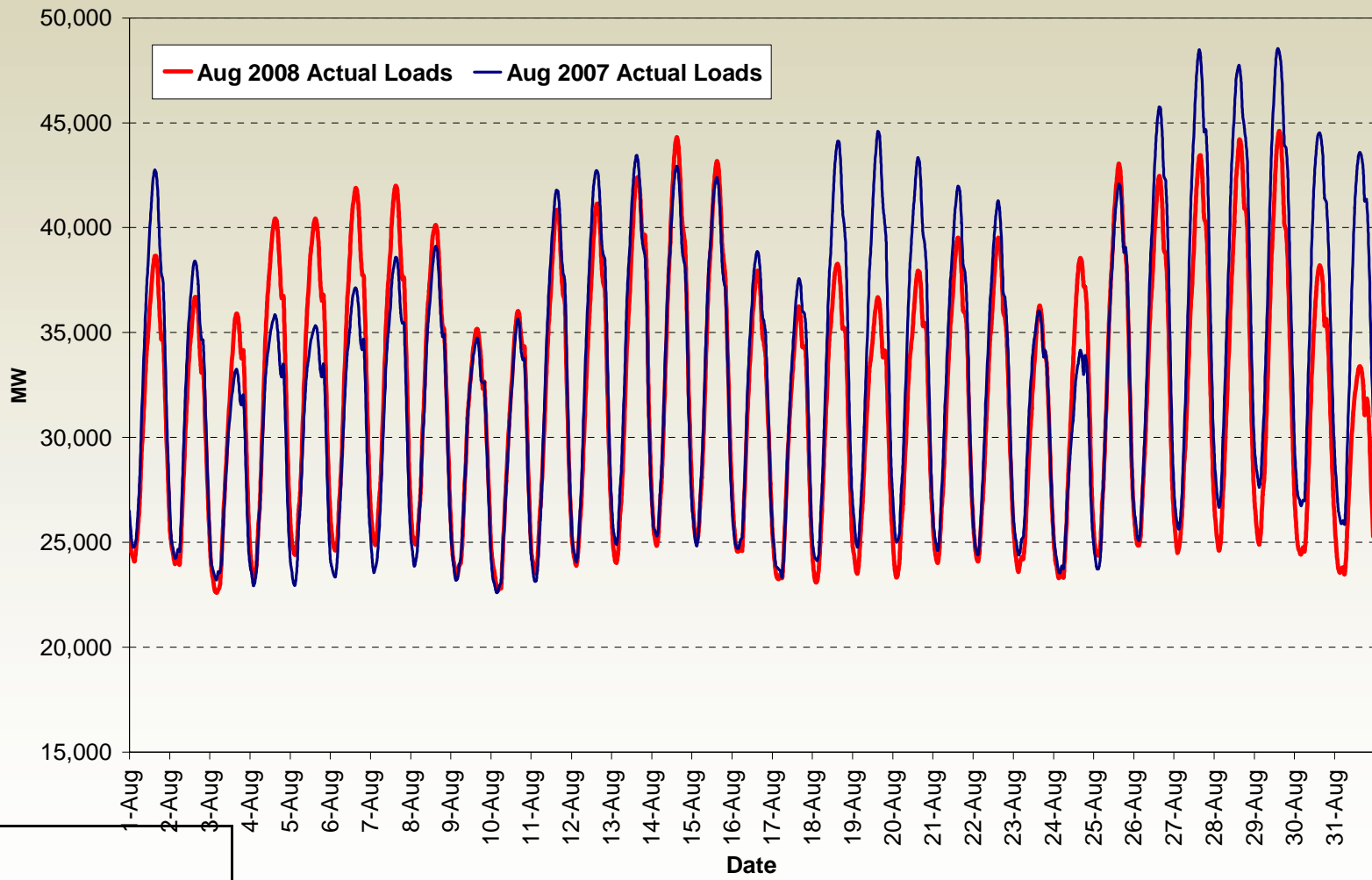


Monthly Market Performance Metrics

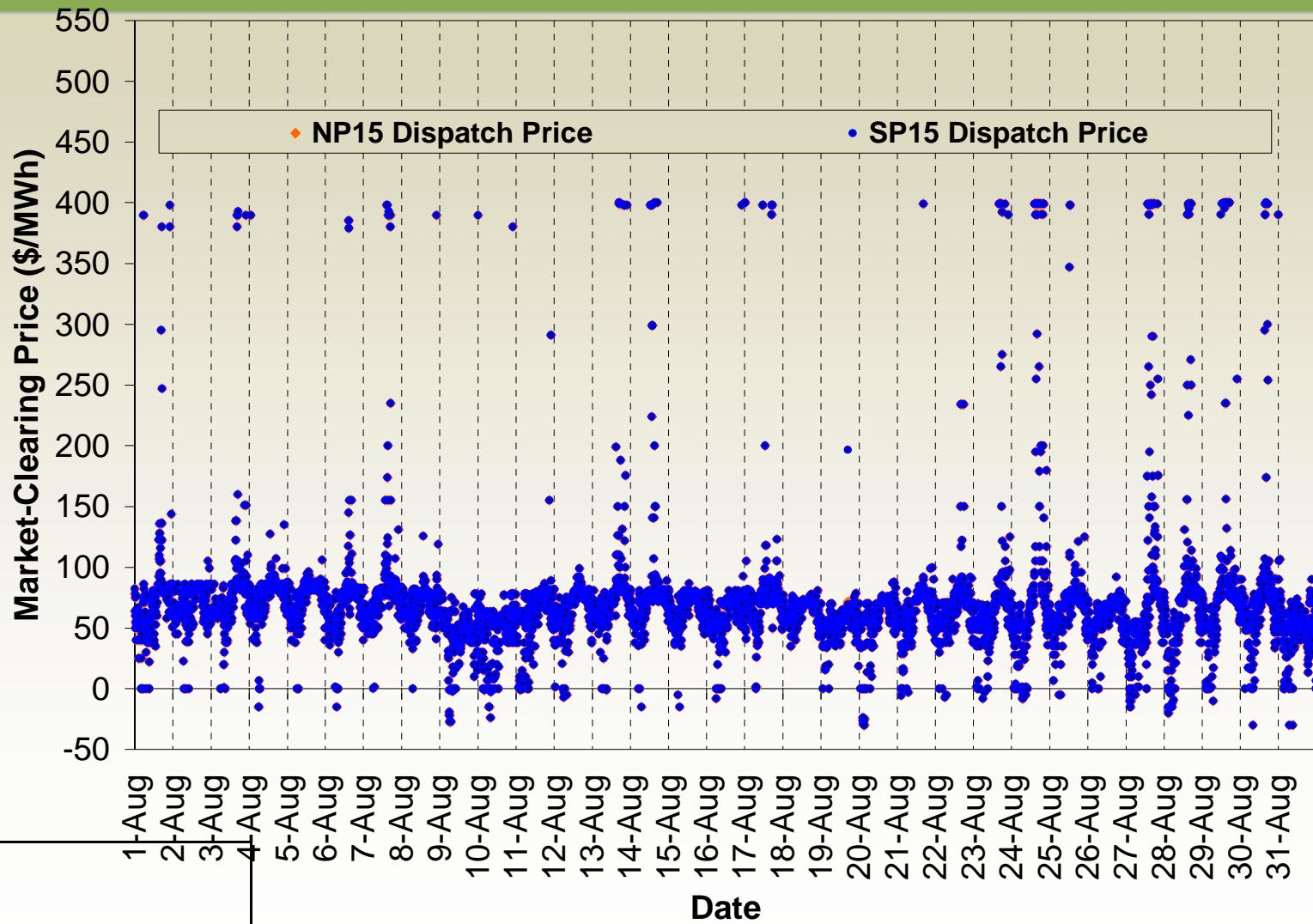
Monthly Metrics	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Average Gas Price	\$5.93	\$5.73	\$6.80	\$7.05	\$7.00	\$7.78	\$8.31	\$9.09	\$9.96	\$9.98	\$11.78	\$10.00	\$7.79
Average On-Peak Contract Price	\$71.40	\$59.64	\$71.89	\$64.21	\$70.41	\$76.90	\$77.52	\$84.41	\$97.74	\$89.18	\$106.61	\$105.00	\$84.85
Average Real-Time Price	\$62.44	\$47.22	\$56.59	\$56.95	\$62.84	\$70.64	\$66.07	\$75.88	\$89.10	\$64.21	\$86.18	\$81.27	\$75.10
No. of Price Spikes Over \$250	167	10	93	72	122	192	192	171	225	195	465	165	247
Costs Incurred over \$250 (percent)	24%	3%	27%	16%	29%	28%	26%	21%	25%	25%	36%	23%	36%
AS Cost (\$ per MWh)	\$0.78	\$0.58	\$0.47	\$0.56	\$ 0.50	\$ 0.45	\$0.63	\$0.73	\$0.77	\$1.18	\$1.92	\$0.99	\$0.48
RA Unit Commitment Costs (\$M)	\$3.2	\$2.9	\$4.3	\$5.0	\$5.0	\$7.0	\$4.0	\$4.0	\$5.0	\$16.0	\$14.0	\$13.0	\$10.0
FERC Unit Commitment Costs (\$M)	\$1.4	\$0.8	\$3.8	\$0.6	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Inc OOS Redispatch Costs (\$M)	\$1.2	\$1.2	\$4.5	\$2.0	\$3.1	\$3.4	\$3.0	\$2.9	\$1.8	\$12.0	\$3.2	\$4.3	\$2.2
Dec OOS Redispatch Costs (\$M)	\$0.5	\$0.3	\$2.5	\$2.5	\$1.2	\$2.3	\$2.5	\$1.1	\$0.6	\$1.7	\$1.7	\$1.6	\$3.4
Total Interzonal Congestion (\$M)	\$3.1	\$4.3	\$12.9	\$10.3	\$12.3	\$6.1	\$1.9	\$9.0	\$4.5	\$18.2	\$56.7	\$14.2	\$4.9



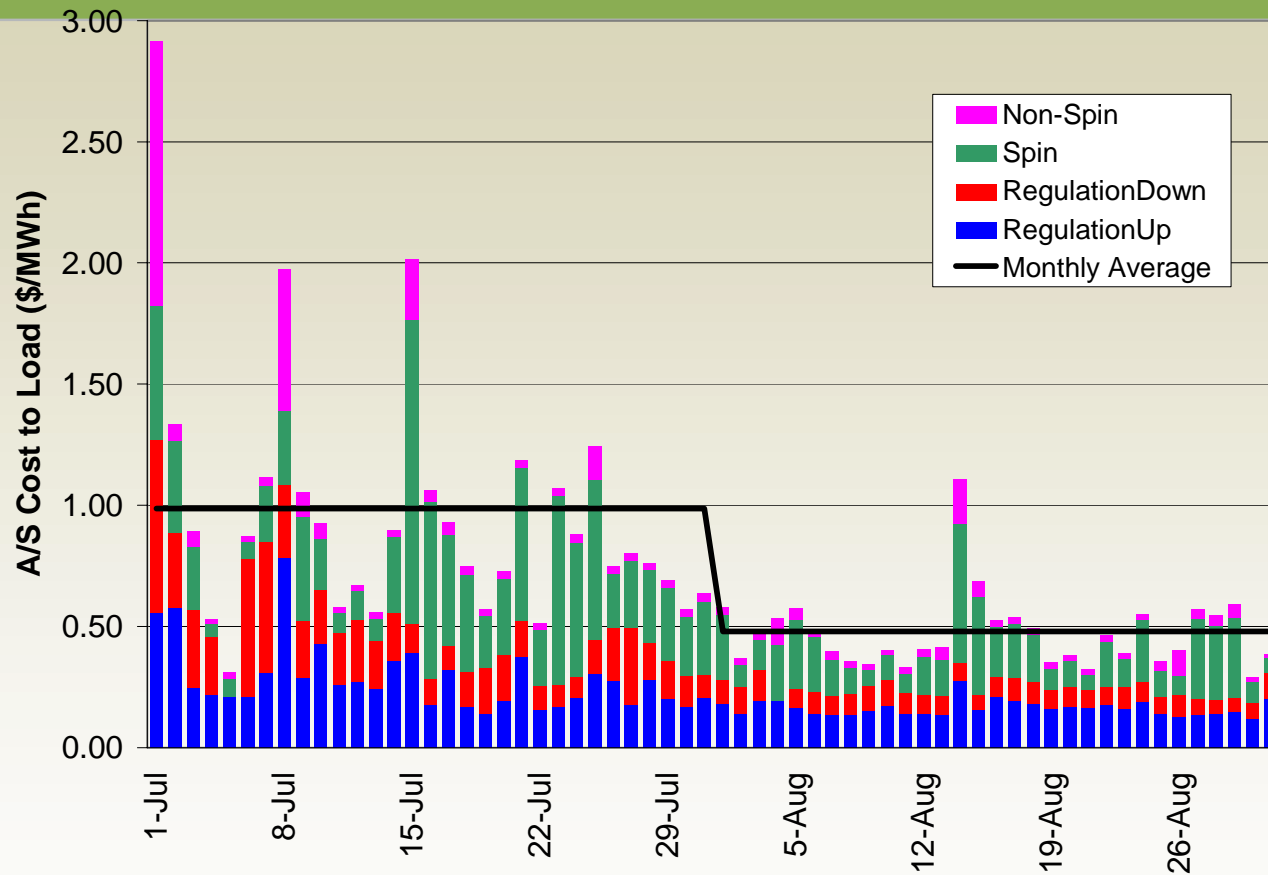
Loads peaked at 44,620 MW on August 29.



The number of price spikes rose to 247 from 165.

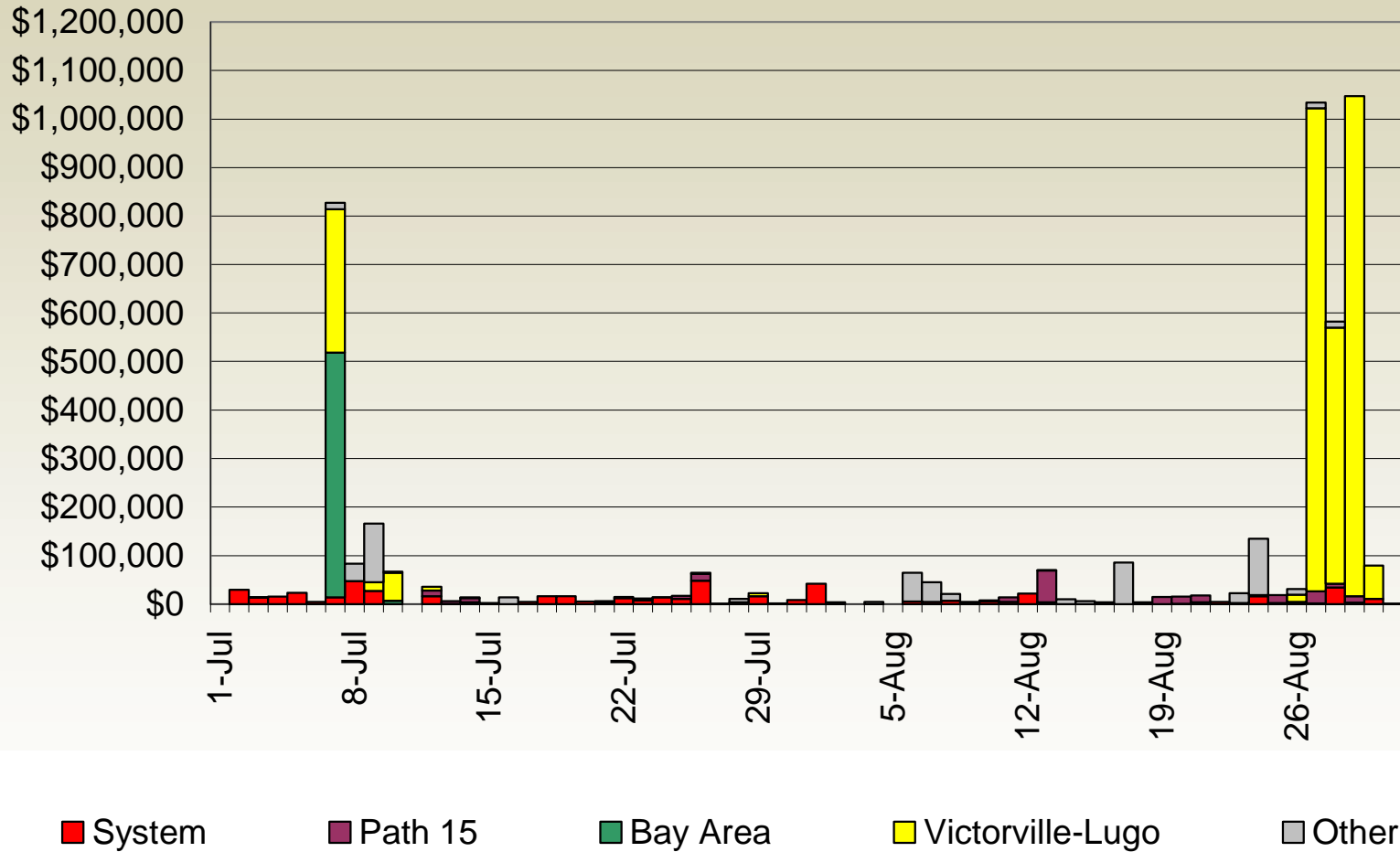


Ancillary services cost to load down to \$0.48 from \$.99.



	Average Procured (MW)				Weighted Average Price (\$/MW)			
	RU	RD	SP	NS	RU	RD	SP	NS
Jul 08	421	360	984	1027	\$ 21.76	\$ 20.36	\$ 11.59	\$ 3.15
Aug 08	407	360	976	1016	\$ 12.77	\$ 7.52	\$ 6.18	\$ 1.32
	-3.2%	0.0%	-0.8%	-1.0%	-41.3%	-63.1%	-46.6%	-58.0%

Decremental out-of-service costs increased to \$3.39 million from \$1.56 million.



Inter-zonal congestion down from \$14.2 million to \$4.9 million.

