

Memorandum

To: ISO Board of Governors
From: Jim Detmers, Vice President, Operations
Date: July 1, 2008
Re: *Operations Report*

This memorandum does not require Board action.

EXECUTIVE SUMMARY

The Operations department is providing to the Board of Governors a status report highlighting critical activities and events. Each Board meeting, the Market Services report will be updated with the most recent information and will also include additional information as deemed relevant. Every report will include the following sections:

- **Operations Highlights**
 - Update on Hydro-Electric Picture for 2008
- **Market Services Highlights**
 - Update on Transitional Capacity Payment Mechanism (TCPM)
- **Operations Support Highlights**

The Operations Support section will highlight compliance activity including Ancillary Service No Pay and payments rescinded for non-compliance. This section also includes settlement dispute activity.