IMO Independent Electricity Market Operator

2002 Corporate Performance Update: May 2002

These monthly updates provide an overview of the IMO's progress in achieving the goals set out for it by its Board of Directors. All monthly updates since market launch are available on the IMO Web site (www.theIMO.com) under "Corporate Information."

May Synopsis

The IMO's performance up to May 31 exceeded target standards on most measures – including key areas such as market operations and customer support.   For example, the market operated continuously through the month, with no suspensions, and with complete dispatch instructions being issued every five minutes more than 99 per cent of the time. In addition, invoices to market participants have been 100 per cent accurate and on time.

The measures also show that the IMO needs to improve the timeliness of the Security and Adequacy Assessment (SAA) reports and the System Status Reports (SSR), and the timeliness of meter edits. While capital spending is on track, spending on Operations, Maintenance and Administration (OM&A) is currently expected to exceed the IMO's approved budget by $3.5 million. IMO management is continuing to investigate ways to reduce spending, recognizing that any reductions must be done in a way that does not impede the organization's ability to meet its other corporate objectives.

As these results incorporate the first month of market opening, a number of these measures will be adapted as the IMO has moved from implementing the market to operating the market. In four months' time, the IMO will review these measures in consultation with market participants to ensure that they accurately reflect the standards required for the effective operation of the market.

Corporate Performance Results

Objective: Effective Use of Funds

Target	Performance Expectation	Current Status
Operations, Maintenance and Administration (OM&A) spending compared to the budget amount approved by the IMO Board.	OM&A amount as approved by the Board of Directors.	OM&A spending projected to year end is expected to exceed approved budget by $3.5 million. Senior Management continues to investigate possible ways to reduce spending while recognizing that actions of this nature must be done in a prudent manner that balances the successful attainment of other corporate objectives.

Target	Performance Expectation	Current Status
Capital Spending compared to the amount approved by the IMO Board.	Capital Amount plus any contingency amounts as approved by the IMO Board.	Capital Spending is tracking within approved budget.

Objective: Marketplace Implemented

Target	Performance Expectation	Current Status
Wholesale market implemented on schedule.	Wholesale market capable of opening on schedule approved by the IMO Board. (Assessment to be conditioned by the extent to which the Market Systems and processes operate effectively during a four month "run-in" period.)	Market OPEN Operational Performance Measures for Run-In Period have been established and are being monitored -- details on following pages.

Objective: Market Participants' and Stakeholders' Needs Are Met

Target	Performance Expectation	Current
IMO's preparation and operation of the marketplace meets participants' and stakeholder needs.	Strategic objectives impacting participant preparations are met; and, ongoing operation of the marketplace meets participants' and stakeholders' needs.	Ongoing customer support has been provided to participants.

Objective: Operational Effectiveness

Target	Performance Expectation	Current Status
Control of tie line flows under normal and disturbance conditions meets or exceeds industry median.	NERC CPS1 & CPS2 median values exceeded DCS meets NERC median.	CPS 2 slightly below NERC median performance.
Electrical reliability maintained within the Province.	Judgmental assessment of IMO actions to avert/address significant reliability events. Subject to peer review.	NPCC will perform peer review with final report to be issued fourth quarter.
Market systems and processes operate effectively	To be assessed based on a suite of market operation performance measures to be established four months after market opens.	

Run-In Operational Performance Measures for May 1- 31

These measures were developed for use during the first four months of marketplace operation, and will be reviewed following this market 'run-in' period. That review will include customer input and experience gained over the period, and may result in revisions.

Market System Performance	Measure	Criteria	Performance Standard	Performance To Date
Provide Sufficient Information For Effective and Successful Bids and Offers				
Implement Accurate Intertie Schedule	Accuracy	Average Daily	≥ 90%	99.33%
Manage Inappropriate Dispatch Instructions	Timeliness	288x/day	≥ 95%	99.99%
Publish SAA's and SSR's on time	Timeliness	As per schedule	≥ 95%	91.73%
Minimize Day Ahead Forecast Errors	Accuracy	Average daily	< 3%	2.11%
Effective Outage Request Processing	Accuracy	Processed vs. valid	≥ 95%	99.72%
Determine Operating Security Limits (OSL's) and Populate OSL Database	Timeliness	Average daily	≥ 98%	99.46%
Effective Processing of Transmission Rights Auction	Timeliness	As scheduled within market rules	One failure to complete a full auction during run-in period	100%
Dispatch Instructions Issued Every Five Minutes (288 times/day)	Completeness	288x/day	≥ 95%	99.27%
Continuous Operation Of the Market	Frequency of Market Suspension	Number of market suspensions per year	Will track during run in period and target after four months	0
	Duration of Market Suspensions	Total duration (hours) of market suspensions per year	Will track during run in period and target after four months	0

Market System Performance	Measure	Criteria	Performance Standard	Performance To Date
Manage Meter Information				
Interrogate, Validate and Estimate Revenue Metered Data	Timeliness	Average daily	≥ 95%	99.6%
Issue Trouble Reports on the 1st Business Day Following the Trade Day (Automated System)	Timeliness	Average daily	≥ 85%	89.2%
Complete Meter Edits by the End of 1st Business Day Following the Agreed Resolution with the MSP	Timeliness	As per schedule	≥ 85%	82.8%
Settle The Market				
Issue Preliminary and Final Settlement Statements as per *IMO Settlement Statement Payments Calendar(SSPC)*	Timeliness	Average daily	≥ 97%	100%
Notices of Disagreement Issued as a Result of IMO Errors	Accuracy	As required	< 15%	19.4%
Invoice Market Participants				
Issue Invoices as per *IMO Settlement Statement Payments Calendar (SSPC)*	Timeliness	As required	≥ 95%	100%
Invoice Accuracy	Accuracy	Average monthly	≥ 95%	100%
Market Facing Systems Availability				
MIS (Schedules, Prices & Dispatch, Contract Manager, Message Exchange, ICCP)	Availability	Average daily as per respective schedule	≥ 95%	96.96%
MOS – MPI (MOS/MIM & Web) (Bids/Offers, Report Retrieval, IOMS)	Availability	Average daily	≥ 99%	98.90%
RMS (CRFA,Settlements/Meter Data/Invoices/MV-WEB)	Availability	Average daily	≥ 92%	99.86%