Independent Electricity Market Operator

Corporate Performance

August 2002

2002 Corporate Performance Update: August 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."

August Synopsis

The IMO's performance up to August continued to exceed target standards on most measures. Currently, the projected Operations, Maintenance and Administration (OM&A) expenditures are expected to exceed budget. IMO management is continuing to investigate ways to reduce spending, recognizing that any reductions must be done in a prudent manner that does not impede the organization's ability to meet its other corporate objectives.

The Run-in Operational Performance Measures listed in the report are being updated based on consultation with market participants

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	Currently, the projected OM&A expenditures for 2002 are $3.1M above budget. 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
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 4 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 Status
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 & disturbance conditions meets or exceeds industry median	NERC CPS1 & CPS2 median values exceeded DCS meets NERC median	CPS1, CPS2 & DCS all above NERC standard.
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 about 4 months after market opens	Details Follow.

Run-In Operational Performance Measures for May 1 - August 31

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	$\geq$ 90%	96.50%
Manage inappropriate Dispatch Instructions	Timeliness	288x/day	$\geq$ 95%	99.99%
Publish SAA's and SSR's on time	Timeliness	As per schedule	$\geq$ 95%	93.67%
Minimize Day Ahead Forecast Errors	Accuracy	Average Daily	$\leq$ 3%	2.83%
Effective Outage Request Processing	Accuracy	Processed vs. Valid	$\geq$ 95%	99.83%
Determine Operating Security Limits (OSL's) and Populate OSL Database	Timeliness	Average Daily	$\geq$ 98%	99.86%
Effective processing of Transmission Rights Auction	Timeliness	As scheduled within market rules	1 failure to complete a full auction during run-in period	100.00%
Dispatch instructions issued Every 5 minutes (288 times/day)	Completeness	288x/day	$\geq$ 95%	99.13%
Continuous Operation Of the Market	Frequency of Market Suspension	Number of Market Suspensions per Year	Will Track During Run In Period and Target After 4 months	0 incidents
	Duration of Market Suspensions	Total Duration (hours) of Market Suspensions per year	Will Track During Run In Period and Target After 4 months	0 incidents

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Market System Performance	Measure	Criteria	Performance Standard	Performance To Date
Manage Meter Information				
Interrogate, validate and estimate revenue metered data	Timeliness	Average Daily	≥ 95%	99.5%
Issue Trouble Reports on the 1st business day following the Trade day (Automated System)	Timeliness	Average Daily	≥ 85%	88.5%
Complete meter edits by the end of 1st business day following the agreed resolution with the MSP	Timeliness	As per schedule	≥ 85%	88.3%
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%	19.3%

Market System Performance	Measure	Criteria	Performance Standard	Performance To Date
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%	99.31%
MOS – MPI (MOS/MIM & Web) (Bids/Offers, Report retrieval, IOMS)	Availability	Average Daily	≥ 99%	99.48%
RMS (CRFA,Settlements/Meter Data/Invoices/MV-WEB)	Availability	Average Daily	≥ 92%	99.78%