

**NYISO Business Issues Committee**

October 18, 2006

The Hampton Inn, Albany, NY

**MOTIONS FROM THE MEETING**

**Motion #1**

*Whereas*, the NYISO has discovered an inconsistency between (i) the description of the recovery of the costs of Operating Reserves from LSEs and Transmission Customers scheduling Exports in the NYISO Open Access Transmission Tariff ("OATT"), Rate Schedule 5, and (ii) the manner in which it actually recovers the costs of Operating Reserves from LSEs and Transmission Customers scheduling Exports, and

*Whereas*, the NYISO explained this inconsistency to the Market Participants at a special scheduled meeting of the Market Structures and Billing and Accounting Working Group on October 11, 2006, and

*Whereas*, the Business Issues Committee has reviewed the description of the issue provided by the NYISO for this October 18, 2006 meeting of the Business Issues Committee, and concurs with the NYISO's recommendation that the manner in which it has been recovering the costs of Operating Reserves from LSEs and Transmission Customers scheduling Exports is an appropriate method for recovering the costs of Operating Reserves in the NYISO market and should be continued.

*Now, therefore*, the Business Issues Committee recommends that the Management Committee approve an amendment to Rate Schedule 5 of the OATT for the purpose of filing pursuant to Section 205 of the Federal Power Act, such amendment to conform to the description of the recovery of the costs of Operating Reserves from LSEs and Transmission Customers scheduling Exports in the NYISO OATT, Rate Schedule 5, to the manner in which such Operating Reserves costs are currently being recovered by the NYISO, as is more fully described in the presentation materials provided to the Business Issues Committee at this October 18, 2006 meeting.

**Motion #2**

Motion to table motion #1.

*Motion passed with 72.44 % affirmative votes.*

# New York Independent System Operator

## Business Issues Committee - October 18, 2006

Motion: Motion #

Result: Motion Passed

Sector with base percent	%	Active	Quorum	Adj. Percent	For	Against	Abstain	% For	% Against	
Generation Owners	21.5	✓	✗	6.14	1.00	1.00	2	3.07	3.07	
Other Suppliers	21.5	✓	✓	21.50	8.00	1.00	3	19.11	2.39	
Transmission Owners	20.0	✓	✓	20.00	1.00	2.00	1	6.67	13.33	
End Use Consumer			✓							
Large Consumer	9.0	✓		9.00	5.00	0.00	0	10.33	0.00	
Large Cons. Gov. Agency	2.0	✓		2.00	0.00	0.00	0	0.00	0.00	
Small Consumer	4.5	✓	✓	4.50	7.00	0.00	0	5.17	0.00	
Gov. State-wide Cons. Advocate	2.7	✓		2.70	1.00	0.00	0	4.50	0.00	
Gov. Sm. Cons. & Retail Aggr.	1.8	✓		1.80	0.00	0.00	0	0.00	0.00	
Public Power			✓							
State Power Authorities	8	✓		9.07	1.00	1.00	0	4.53	4.53	
Munis and Coops	7	✓		7.93	11.00	0.00	0	7.93	0.00	
Environmental	2	✓		0.00	0.00	0.00	0	0.00	0.00	
				4	84.64	35.00	5.00	6	61.32	23.33
					84.64	Normalized to 100% :			72.44	27.56

# New York Independent System Operator

Business Issues Committee - October 18, 2006

## Motion

Motion #

Sector	Organization	Representative	Affiliate	Present	For	Against
End Use - Gov. Agency/Aggr.	NYS Energy Research & Develop. Auth.					
End Use - Gov. Agency/Aggr.	The City of New York					
End Use - Large Consumer	Alcoa/Reynolds Metals Company	Michael Mager		y	1.00	
End Use - Large Consumer	Helmsley-Spear Inc.					
End Use - Large Consumer	IBM Corporation	Michael Mager		y	1.00	
End Use - Large Consumer	Occidental Chemical Corp.	Michael Mager		y	1.00	
End Use - Large Consumer	Praxair Inc.	Michael Mager		y	1.00	
End Use - Large Consumer	Wegmans Food Markets	Michael Mager		y	1.00	
End Use - Large Cons. Gov.	Metropolitan Transportation Authority					
End Use - Small Consumer	American Sugar Refining, Inc.	John Dowling		y	1.00	
End Use - Small Consumer	Association for Energy Affordability, Inc.					
End Use - Small Consumer	Beth Israel Health Care System	John Dowling		y	1.00	
End Use - Small Consumer	Building and Realty Institute	Tariq Niazi		y	1.00	
End Use - Small Consumer	Columbia University	John Dowling		y	1.00	
End Use - Small Consumer	Mount Sinai Medical Center	John Dowling		y	1.00	
End Use - Small Consumer	New York Presbyterian Hospital	John Dowling		y	1.00	
End Use - Small Consumer	New York University	John Dowling		y	1.00	
End Use - State Agency	NY State Consumer Protection Board	Tariq Niazi		y	1.00	
Generation Owners	AES NY					
Generation Owners	Astoria Energy LLC					
Generation Owners	Calpine					
Generation Owners	East Coast Power Linden Holding LLC					
Generation Owners	Edison Mission Marketing & Trading	William Roberts		y		
Generation Owners	Entergy Nuclear Northeast					
Generation Owners	Horizon Wind Energy					
Generation Owners	Indeck Energy Services	Mark Younger		y	1.00	
Generation Owners	KeySpan Ravenswood, LLC	Jim D'Andrea		y		1.00
Generation Owners	Mirant New York, Inc.	Philip Smith		y		
Generation Owners	New Athens Generating Co.					
Generation Owners	Noble Environmental Power LLC					
Generation Owners	Selkirk Cogen Partners, L.P.					
Generation Owners	TransCanada Power Marketing					
Other Suppliers	Advantage Energy, Inc.					
Other Suppliers	Amerada Hess Corporation					
Other Suppliers	Brookfield Energy Marketing Inc.					
Other Suppliers	Cinergy Capital and Trading					
Other Suppliers	Con Edison Energy		y			
Other Suppliers	Con Edison Solutions		y			
Other Suppliers	Conectiv					
Other Suppliers	Constellation Energy Commodities, Inc.					
Other Suppliers	Constellation New Energy Inc.		y			
Other Suppliers	Consumer Powerline					
Other Suppliers	Coral Power, LLC	Matt Picardi		y	1.00	
Other Suppliers	DC Energy	Bruce Bleiweis		y	1.00	
Other Suppliers	Dynegy					
Other Suppliers	ECOnergy					
Other Suppliers	Energy Curtailment Specialists, Inc					
Other Suppliers	Energy Spectrum					
Other Suppliers	EnerNoc					
Other Suppliers	Epic Merchant Energy	Erik Abend		y	1.00	
Other Suppliers	Exelon Generation - Power Team					
Other Suppliers	Fortistar/Lockport Energy Associates, L.P.	Mark Younger		y	1.00	
Other Suppliers	FPL Energy	David Applebaum		y	1.00	
Other Suppliers	Galt Power	Rick Mancini		y		
Other Suppliers	HQ Energy Services	Paul Norris		y	1.00	
Other Suppliers	KeySpan Energy Services	Jim D'Andrea	y	y		
Other Suppliers	Morgan Stanley Capital Group					
Other Suppliers	NRG Power Marketing					
Other Suppliers	NU / Select Energy	Jim Scheiderich		y		
Other Suppliers	Ontario Power Generation Inc.	Glenn Haake		y		
Other Suppliers	Orion Power New York					
Other Suppliers	PPM Energy					
Other Suppliers	PP&L Energy Plus	Joseph Langan		y	1.00	
Other Suppliers	PSEG Energy Resources & Trade	Howard Fromer		y		1.00
Other Suppliers	Sempra Energy Trading					
Other Suppliers	SESCO Enterprises, LLC					
Other Suppliers	Strategic Energy LLC					
Other Suppliers	TransEnergie U.S. Ltd.		y			
Other Suppliers	U.S. Power Generating Co.	Liam Baker		y	1.00	
Other Suppliers	Williams Power Company					
Public Power - Authorities	Long Island Power Authority	Kevin Jones		y	1.00	
Public Power - Authorities	New York Power Authority	Kevin Kipers		y		1.00
Public Power - Environmental	American Wind Energy Association					
Public Power - Environmental	Environmental Advocates					
Public Power - Environmental	Natl Resources Defense Council					
Public Power - Environmental	Pace University					
Public Power - Environmental	Scenic Hudson					
Public Power - Munis & Co-ops	Bath Electric, Gas & Water Systems	Tim Bush		y	1.00	
Public Power - Munis & Co-ops	City of Jamestown Board of Pub. Util.	David Gustafson		y	1.00	
Public Power - Munis & Co-ops	Lake Placid Village	Tim Bush		y	1.00	
Public Power - Munis & Co-ops	Municipal Commission of Boonville	Tim Bush		y	1.00	
Public Power - Munis & Co-ops	Plattsburgh Municipal Lighting Dept.	Tim Bush		y	1.00	
Public Power - Munis & Co-ops	Village of Arcade	Tim Bush		y	1.00	
Public Power - Munis & Co-ops	Village of Fairport	Tim Bush		y	1.00	
Public Power - Munis & Co-ops	Village of Freeport	Tom Rudebusch		y	1.00	
Public Power - Munis & Co-ops	Village of Rockville Centre	Tom Rudebusch		y	1.00	
Public Power - Munis & Co-ops	Village of Solway	Tim Bush		y	1.00	
Public Power - Munis & Co-ops	Village of Westfield	Tim Bush		y	1.00	
Transmission Owners	Central Hudson Gas & Electric	Thomas Canino		y		
Transmission Owners	Consolidated Edison	Stuart Nachmias		y	1.00	
Transmission Owners	National Grid	Bart Franey		y		1.00
Transmission Owners	NY State Electric Gas (NYSEG)	Ray Kinney		y		1.00
Transmission Owners	Orange & Rockland, Inc.		y			
Transmission Owners	Rochester Gas & Electric	Ray Kinney	y	y		

**New York Independent System Operator - Committee Membership**

**Business Issues Committee - Attendance October 18, 2006 - Albany, NY - Parties Checked in Attendance**

Organization	Sector	Representative	Alternate1	Alternate2	Alternate3	Alternate4	Alternate5	Proxy	Guest
NYS Energy Research & Develop. Auth.	End Use - Gov. Agency/Aggr.	Paul DeCotis	Karl Michael	David Coup	Erin Hogan	Christopher Hall			
The City of New York	End Use - Gov. Agency/Aggr.	Michael Delaney	Gil Quiniones	Thomas Simpson	Jonathan Wallach	Tim Daniels			
Alcoa/Reynolds Metals Company	End Use - Large Consumer	Robert Loughney	✓ Michael Mager	Morgan Parke					
Helmsey-Spear Inc.	End Use - Large Consumer	David Bomke	George Diamantopoulos	Edward Strauss	Herb Rose				
IBM Corporation	End Use - Large Consumer	Robert Loughney	✓ Michael Mager	Morgan Parke					
Occidental Chemical Corp.	End Use - Large Consumer	Robert Loughney	✓ Michael Mager	Morgan Parke					
Praxair Inc.	End Use - Large Consumer	Robert Loughney	✓ Michael Mager	Morgan Parke					
Wegmans Food Markets	End Use - Large Consumer	Robert Loughney	✓ Michael Mager	Morgan Parke					
Metropolitan Transportation Authority	End Use - Large Cons. Gov.	Jesse Samberg	Gary Caplan	Walter McCarroll					
American Sugar Refining, Inc.	End Use - Small Consumer	John Gebhard	Quintin George	Catherine Luthin	✓ John Dowling	Jennifer Kearney			
Association for Energy Affordability, Inc.	End Use - Small Consumer	David Hepinstall	Larry DeWitt						
Beth Israel Health Care System	End Use - Small Consumer	Catherine Luthin	✓ John Dowling	Jennifer Kearney	✓ Tariq Niazi	Doug Elfner			
Building and Realty Institute	End Use - Small Consumer	Herb Rose	Judith Mondre	Ted Lee	✓ Tariq Niazi				
Columbia University	End Use - Small Consumer	Catherine Luthin	✓ John Dowling	Jennifer Kearney	✓ Tariq Niazi	Doug Elfner			
Mount Sinai Medical Center	End Use - Small Consumer	Catherine Luthin	✓ John Dowling	Jennifer Kearney	✓ Tariq Niazi	Doug Elfner			
New York Presbyterian Hospital	End Use - Small Consumer	Catherine Luthin	✓ John Dowling	Jennifer Kearney	✓ Tariq Niazi	Doug Elfner			
New York University	End Use - Small Consumer	Catherine Luthin	✓ John Dowling	Jennifer Kearney	✓ Tariq Niazi	Doug Elfner			
NY State Consumer Protection Board	End Use - State Agency	✓ Tariq Niazi	Doug Elfner						
AES NY	Generation Owners	Doug Roll	Charles Sjoberg	Christopher Wentlent	Dave Evanoski				
Astoria Energy LLC	Generation Owners	Joseph Swift	Leonard Singer	Chuck McCall					
Calpine	Generation Owners	Brett Kruse	Kris Zadlo	Steve Remillard					
East Coast Power Linden Holding LLC	Generation Owners	Roy Shanker	Thomas Hoatson	Robert Licato	Kathy Benini				
Edison Mission Marketing & Trading	Generation Owners	✓ William Roberts	Jeffrey Ellis	Peter Brown	✓ Rich Mooney				
Entergy Nuclear Northeast	Generation Owners	Marc Potkin	Angelo Vai	Ron Mackowiak					
Horizon Wind Energy	Generation Owners	Anntonette Alberti	Patrick Doyle	P.J. Salterman	Charlie Turlinski	Scott Alexander	Greg Kemmis		
Indeck Energy Services	Generation Owners	Mike Ferguson	John Schrage	✓ Mark Younger					
KeySpan Ravenswood, LLC	Generation Owners	Rich Hohlman	Joe Vignola	Jim Brennan	✓ Jim D'Andrea	Madison Milhous	Edwin Kichline		
Mirant New York, Inc.	Generation Owners	✓ Philip Smith	Vicki Lynch	✓ Doreen Saia					
New Athens Generating Co.	Generation Owners	Jack Breen	Chris Bursaw	Dan DeVinney	Rich Felak				
Noble Environmental Power LLC	Generation Owners	Thomas Swank	Liz Grisaru						
Selkirk Cogen Partners, L.P.	Generation Owners	Tim Bittig	Steve Kampplia						
TransCanada Power Marketing	Generation Owners	William Taylor	Elaine Beaudry						
Advantage Energy, Inc.	Other Suppliers	Kyle Storie							
Amerada Hess Corporation	Other Suppliers	Kevin LaGuardia	Bias Hernandez	George Braulke					
Brookfield Energy Marketing Inc.	Other Suppliers	Robert Ricketts	Daniel Whyte						
Cinergy Capital and Trading	Other Suppliers	John Deeds	Walt Yeager						
Con Edison Energy	Other Suppliers	Stephen Wemple	Ivan Kimball						
Con Edison Solutions	Other Suppliers	Stephen Wemple	Rich Staines						
Conectiv	Other Suppliers	Bill Fehr	John Foreman						
Constellation Energy Commodities, Inc.	Other Suppliers	Glen McCartney	Dan Allegretti	Sara O'Neil					✓ Joe Lewis
Constellation New Energy Inc.	Other Suppliers	Michael Constantine	Sara O'Neill						
Consumer Powerline	Other Suppliers	Vinay Gupta	Mike Gordon	Ray Stirbys	Chau Shen				
Coral Power, LLC	Other Suppliers	✓ Matt Picardi	Dave French						
DC Energy	Other Suppliers	✓ Bruce Bleiweis	Andrew Stevens	Matthew Tate	Sadao Milberg	Chris Carpenter	Matthew Tate		
Dynegy	Other Suppliers	Barry Huddleston	Jason Cox	Kevin White					
ECONergy	Other Suppliers	Saul Horowitz	Tom Halleran						
Energy Curtailment Specialists, Inc	Other Suppliers	Glen Smith	Stephen Lynch	Marie Pieniazek	Robert Boyle				
Energy Spectrum	Other Suppliers	Gary David	Henry Hartstein	Aron Iskowitz	Ruben Brown	Arthur Pearson			
EnerNoc	Other Suppliers	David Brewster	Aaron Breidenbaugh						
Epic Merchant Energy	Other Suppliers	Robert Erbrick	✓ Erik Abend	Wade Sullivan					
Exelon Generation - Power Team	Other Suppliers	Scott Silverstein	Joe Klimaszewski	Jim Verna					
Fortistar/Lockport Energy Associates, L.P.	Other Suppliers	Roger Kelley	Tom Gesicki	✓ Mark Younger	✓ Glenn Haake				
FPL Energy	Other Suppliers	✓ David Applebaum	Fernando DaSilva	Ron Scheirer					
Galt Power	Other Suppliers	✓ Rick Mancini	Stephen Fernands						
HQ Energy Services	Other Suppliers	Michel Prevost	✓ Paul Norris	Erik Bellavance					
KeySpan Energy Services	Other Suppliers	Terrence Kain	✓ Jim D'Andrea	Edwin Kichline	James Cross	John Vaughn			
Morgan Stanley Capital Group	Other Suppliers	Patrick Murray	Karen Kochonies	Levon Kazarian	Doron Ezickson				
NRG Power Marketing	Other Suppliers	Tim Foxen	Jim Mayhew	Lee Davis					

**New York Independent System Operator - Committee Membership**

**Business Issues Committee - Attendance October 18, 2006 - Albany, NY - Parties Checked in Attendance**

Organization	Sector	Representative	Alternate1	Alternate2	Alternate3	Alternate4	Alternate5	Proxy	Guest
NU / Select Energy	Other Suppliers	✓ Jim Scheiderich	Gunnar Jorgensen						
Ontario Power Generation Inc.	Other Suppliers	Scott McArthur	Dave Barr	Ken Lacivita	Erica Cheung	Scott McArthur	✓ Glenn Haake		
Orion Power New York	Other Suppliers		John Meyer						
PPM Energy	Other Suppliers	Thresa Allen	T.H. Rawls	Tom Shields					
PP&L Energy Plus	Other Suppliers	✓ Joseph Langan	Tom Hyzinski	Roland Moor	David Yannarell	Sharon Weber			
PSEG Energy Resources & Trade	Other Suppliers	✓ Howard Fromer	Michael LaFalce	Bob Logan	Dennis Sobieski				
Sempra Energy Trading	Other Suppliers	Dan Staines	Maria Agovino	Scott Englander	Barry Trayers				
SESCO Enterprises, LLC	Other Suppliers	Mike Schubiger	Jim Thoresen						
Strategic Energy LLC	Other Suppliers	Jason Barker	Jeff Knox	Pamela Melton					
TransEnergie U.S. Ltd.	Other Suppliers	Michael Jacobs	Raymond Cox						
U.S. Power Generating Co.	Other Suppliers	✓ Liam Baker	Mark Sudbey						
Williams Power Company	Other Suppliers	David Singer	Mark Lassman	Robert O'Connell					
Long Island Power Authority	Public Power - Authorities	✓ Kevin Jones	Dave Clarke						
New York Power Authority	Public Power - Authorities	William Palazzo	Bob Deasy	Bob Gow	Paul Rougeaux	✓ Kevin Kipers			✓ Scott Brown
American Wind Energy Association	Public Power - Environmental	Valerie Strauss	Larry DeWitt	Douglas Ward	Mike Jacobs	Carol Murphy			
Environmental Advocates	Public Power - Environmental	Anne Reynolds	Larry DeWitt						
Nat'l Resources Defense Council	Public Power - Environmental	Dale Bryk	Larry DeWitt						
Pace University	Public Power - Environmental	Edward Smeloff	Larry DeWitt						
Scenic Hudson	Public Power - Environmental	Larry DeWitt							
Bath Electric, Gas & Water Systems	Public Power - Munis & Co-ops	Ken Moore	✓ Tim Bush	Matthew Benesh	Jim Hamilton	Jack Brown			
City of Jamestown Board of Pub. Util.	Public Power - Munis & Co-ops	✓ David Gustafson	Wally Haase	John Oelbracht	Steven Kulig	✓ Tom Rudebusch			
Lake Placid Village	Public Power - Munis & Co-ops	Peter Kroha	✓ Tim Bush						
Municipal Commission of Boonville	Public Power - Munis & Co-ops	Kenneth Stabb	✓ Tim Bush						
Plattsburgh Municipal Lighting Dept.	Public Power - Munis & Co-ops	Jack Brown	✓ Tim Bush	Ken Moore					
Village of Arcade	Public Power - Munis & Co-ops	Larry Kilburn	✓ Tim Bush						
Village of Fairport	Public Power - Munis & Co-ops	Ken Moore	✓ Tim Bush	Paul Pallas					
Village of Freeport	Public Power - Munis & Co-ops	Anthony Fiore	Ted Kimlingen	✓ Tom Rudebusch					
Village of Rockville Centre	Public Power - Munis & Co-ops	Tom Cardie	Ken Moore	Matthew Benesh	Jim Hamilton	Paul Pallas	Jack Brown	✓ Tom Rudebusch	
Village of Solvay	Public Power - Munis & Co-ops	Anthony Modafferi	✓ Tim Bush						
Village of Westfield	Public Power - Munis & Co-ops	Jim Hamilton	✓ Tim Bush	Ken Moore	Matthew Benesh	Jack Brown			
Central Hudson Gas & Electric	Transmission Owners	James Valleau	✓ Thomas Canino	Jeff May	Rick Greener				
Consolidated Edison	Transmission Owners	✓ Stuart Nachmias	Gerry Dunbar	Neil Butterklee					
National Grid	Transmission Owners	✓ Bart Franey	Wesley Yeomans	Jerry Ancona	Janet Gail Besser	Terron Hill			
NY State Electric Gas (NYSEG)	Transmission Owners	✓ Ray Kinney	✓ Patti Caletka	Steve Jeremko	Hank Masti				
Orange & Rockland, Inc.	Transmission Owners	None Assigned							
Rochester Gas & Electric	Transmission Owners	✓ Ray Kinney	✓ Patti Caletka	Steve Jeremko	Hank Masti				
Ace Energy Company, Inc	Non-voting	Marie Pieniasek	Stephen Lynch						
ACENY	Non-voting	Carol Murphy	Valerie Strauss						
Boundless Energy, L.L.C	Non-voting	Brian Chernack	Chuck Gilbert	Mark Mainetti					
Caithness Energy, L.L.C	Non-voting	Ross Ain	Gary Keevill	Mitchell Garber					
Customized Energy Solutions	Non-voting	✓ Rick Mancini	Stephen Fernands	Bill Schofield					
Ecogen, L.L.C	Non-voting	Tom Hagner							
Energetix, Inc.	Non-voting	Barney Farnsworth	Gerald Strassner						
Fluent Energy	Non-voting	Michael Mastroianni	David Koplas	Margie Miller					
Hudson River Energy Group	Non-voting	Frank Radigan	Richard Canfield						
Hydro-Quebec TransEnergie	Non-voting	✓ Glenn Sylvain	Mario Boucher						
NYS Department of Public Service	Non-voting	✓ Bill Heinrich	David Drexler						
Stealth Energy	Non-voting	Gad Cohen							
The Structure Group	Non-voting	Bob Furry							
Tom Halleran	Non-voting	Tom Halleran							
US Direct Energy Inc.	Non-voting	Marie Pieniasek	Stephen Lynch						
William P. Short	Non-voting	William Short	Marc Schaefer	Joe DeVito	John Brodbeck	Ron Matlock	Paul Savage	Roberto Denis	
zNew Member	Non-voting								
zNew Member	Non-voting								
zNew Member	Non-voting								
zNew Member	Non-voting								
zNew Member	Non-voting	None Assigned							

**New York Independent System Operator - Committee Membership**

**Business Issues Committee - Attendance October 18, 2006 - Albany, NY - Parties Checked in Attendance**

Organization	Sector	Representative	Alternate1	Alternate2	Alternate3	Alternate4	Alternate5	Proxy	Guest
<b>NYISO and Hunton &amp; Williams Members in Attendance:</b>									
		Ira Freilicher							
		Kevin Jones							
		James Schmidt							
		Rob Fernandez							
		Mark Lynch							
		John Buechler							
		Mike Calimano							
		Andy Ragogna							
		Elaine Robinson							
		Jacquie Ponds							
		✓ Leigh Bullock							
		✓ Ray Stalter							
		✓ Debbie Eckels							
		✓ Dave Lawrence							
		✓ Frank Francis							
		✓ Andy Antinori							
		✓ Alex Schnell							
		✓ Mike Kramek							
		✓ Robb Pike							
		✓ Roger Kirkpatrick							
		Ernie Cardone							
		John Charlton							
		Kathy Whitaker							

**Key:**

✓ = In attendance