

NYISO Business Issues Committee Meeting

June 26, 2002

The Desmond
660 Albany Shaker Road
Albany, NY 12110

MINUTES OF THE MEETING

I. Welcome & Meeting Objectives

Mr. Stephen Wemple, Chairperson of the Business Issues Committee (BIC), called the meeting to order at 9:31 AM and welcomed the members of the Business Issues Committee. The attendees introduced themselves and named the companies that they represent.

II. Approval of the Minutes

The minutes for the April 26, 2002 BIC meeting were approved with revisions, and the will be posted to the NYISO web site. Approval of the minutes for the May 22, 2002 BIC meeting was deferred to allow additional time to review modifications to the minutes which were submitted at the June 26, 2002 meeting.

Motion #1:

Motion to approve the minutes from the April 26, 2002 Business Issues Committee Meeting.

(Motion passed unanimously by a show of hands)

III. Chairperson's Report

Mr. Wemple summarized the agenda for today's meeting, and also recognized an increase in the level of PJM and NYISO activity concerning seams issues in an effort to be responsive to commissioner Woods.

IV. Market Operations Report & Market Enhancements

Mr. Andrew Ragona, of the NYISO, informed the Committee of a billing adjustment for the month of May 2000. He explained that the adjustment was to correct an error in congestion payments made to a participant during that billing period, and that the amount of the correction was approximately five million dollars. He also announced that a similar adjustment would be made in the June 2000, 24-month re-bill.

Mr. Tariq Niazi, of the NYS Consumer Protection Board, did not understand why the issue was not given higher priority, since the incorrectly paid customer was Enron. Mr. Ragona replied that the NYISO didn't recognize the impact on Enron. Mr. James Scheiderich, of Select Energy, indicated his dismay that the Transmission Operators were paid the amount of the correction before the committees properly vetted the issue. Mr Scheiderich asked if the TOs would be paid the other \$5M for June. Mr Ragona stated that the ISO would have to discuss the issue. He also wanted to know to what degree the TOs had recouped the revenues through TSC adjustments, and requested a written explanation from the NYISO regarding where the congestion was miscalculated, and how the TOs were paid. Mr. Ragona replied that he would review the request with NYISO council and determine the proper course of action.

In response to a question from Mr. Raymond Kinney, of NYSEG, Mr. Ragona confirmed that the NYISO is involved in the Enron bankruptcy proceedings, but did not know the level of NYISO exposure. Mr. Nachmias asked to have a copy of the auditor's report made available to market participants. Mr. Ragona indicated that he would keep the Committee apprised of future developments.

In response to the removal of the Loss Policy from the meeting agenda, Mr. Robert Loughney, of Couch White, inquired as to where the discussion of that proposed policy would move. Mr. Ragona stated that the Credit Policy Working Group is looking at the policy for a wider sharing by all market participants.

Mr. Aaron Breidenbaugh asked which policy would apply to the collection of possible losses in the Enron case. Mr. Ragona replied whichever policy was in effect at the time of the loss.

Dr. James Savitt, of the NYISO, presented the monthly market report. After noting that the CPS2 was consistently above target, he was asked by Mr. Kinney if the NYISO had ever evaluated the cost of maintaining such a high level of performance. Dr. Savitt took it as an action item to review. Dr. Savitt observed that the reduction in standard deviation from April to May likely reflects the peak demand week in April. He also reported that upcoming BAS enhancements would allow the NYISO to provide a breakout of virtual bidding costs as requested by Mr. Younger at a prior BIC meeting.

At the request of Mr. Daniel Duthie, of Strategic Power Management, Inc., Dr. Savitt agreed to look into translating Ancillary Services into an effective cost for LSEs. He also agreed to work with Mr. Bowers, of the NYISO, to breakout statewide and local uplift costs for LSEs, and to included actual numeric values for Chart 4T. At the request of Mr. Howard Fromer, of PSEG, also agreed to include total monthly sendout in Chart 4T.

V. Regional Market Enhancements

Mr. Charles King, of the NYISO, updated the Committee on recent progress with seams issues. His presentation included a matrix of proposed and completed projects that are expected to mitigate seams between the NYISO and its neighbors, PJM, ISO-NE and

IMO. Mr. Scheiderich observed that upcoming efforts on seams issues should be focused on PJM, where participants do not have to deal with the distractions being dealt with in New England or Ontario. Mr. King committed to passing along to his counterparts the suggestion made by Mr. Fromer that each of the ISOs should send representatives to the meetings of governing bodies of the other ISOs.

VI. Proposed Real Time Scheduling Project

Mr. Robb Pike, of the NYISO, presented an update on the progress of the work being conducted by the NYISO staff on the proposed Real Time Scheduling (“RTS”) system. He explained how the RTS would encompass a methodology to replace the existing BME and SCD programs, eliminate inconsistencies that exist between those two systems today, provide a platform for addressing existing seams issues.

Mr. Scheiderich recognized that OSS functionality would be necessary for the RTS to succeed. Mr. Pike stated that a cost benefit analysis of the project had not been completed. Mr. Fromer pointed out that none of the working groups had explicitly recommended any of the features of the RTS. In response to inquiries raised by participants Mr. Pike noted that the RTS load forecasting tool would be a blend between regression analysis and weather forecasting, that network loads would be fed into the RTS by a state estimator, that schedules in increments of 0.1 megawatts would be accommodated, and that the current work scope did not include controllable transmission lines.

When Mr. Loughney questioned the need for a vote on a resolution to continue the RTS work, Mr. King referred to the William Museler letter to Chairman Helmer, and note that the resolution did not authorize additional funding or the purchase of vendor software.

The Committee broke for lunch and to allow participants to caucus.

After the addition of friendly amendments, the Committee unanimously approved the following motion by a show of hands.

Motion #2:

Move to direct the MSWG to continue to explore design modifications contained in the series of Concept of Operation documents, including but not limited to the modifications to incorporate rolling 15 minute commitments, quarter hour scheduling, two-settlement system for reserves, modifications to reserve bidding structure, reserve demand curve concept and ex-post pricing; and further to:

- Instruct the MSWG to continue the RTS design and development review along to include:
 - ? *Consideration of an automated mitigation program for the RTS patterned after the Day-Ahead AMP*
 - ? *Integration of demand response resources into RTS on a basis comparable with*

generators.

- ? *Continued consideration of a reserve demand curve approach.*
- ? *Continued consideration of co-optimization of transmission for energy and reserves.*
- ? *Assess the impact on and necessary changes to NYISO billing and accounting processes and software.*

- Return to Business Issues Committee to review and, act upon the RTS design and development features.

In approving this motion, it is the Business Issues Committee's intent that no incremental funding beyond that budgeted would be expended for continuing to explore the RTS conceptual design and the MSWG is hereby required to report back to the Business Issues Committee in 2 months to address (i) the impact of any FERC actions on SMD (ii) preliminary projected costs and benefits of implementing the RTS functional design; and (iii) other issues raised at the June 26th Business Issues Committee Meeting including design compatibility with other regions.

VII. NYC Load Pocket Operations

Mr. Rick Gonzales, of the NYISO, presented a summary of recent modifications to load pocket operations. He pointed out that the NYISO assumption of operational control of NYC facilities at lower voltage levels was part of the comprehensive mitigation filing, and explained that two objectives were to allow for redispatch and to define congestion. Mr. Gonzales noted the SCD and BME pocket modeling capability was deployed on June 3, and that SCUC load pocket modeling was deployed on June 18. He observed that out of merit generation in New York City is significantly reduced but that infrequent need for OOM operations will continue.

Mr. Daniel Staines, of Sempra, speculated that the reduction in uplift formerly caused by OOM operation may in the future be offset increases in congestion cost. Mr. Gonzales could not comment on Mr. Fromer question about whether participants in the TCC market knew in advance about changes in the SCUC. Mr Scheiderich asked if the 20 odd line constraints added for SCUC and the interface models applied in SCD were in fact identical or simply approximate in which he disputed the claim of being identical. Mr Gonzales claimed they were the same and did not discuss the matter further. Mr Howard Fromer asked if the Participants knew what the 20 odd lines were that had been added as constraints in SCUC. Mr Gonzales responded in the negative. Mr Gonzales reminded Participants that at the March 27, 2002 AMP/LMM TF meeting, that Art Desell had told Participants that the modeling for the In-City had always been present in the TCC auction models. It was stated that the PARs are not moved by SCD but ConEd adjusts them. This process was referred to as optimization

VIII. Proposed Working Capital Policy

Mr. Ragogna presented the proposed NYISO Working Capital Policy to the Committee. He made clear that the NYISO intended to make a filing with FERC that would clarify the existing policy. His presentation covered how working capital had been collected in the past and how the NYISO intends to monitor the fund in the future. He also explained how the fund would collect interest, and how adjustments would be made to the fund. Mr. Ragogna reported that funds will be refunded to participants upon the transition to a NERTO or credited toward the NERTO fund requirement at the participant's request.

Mr. Scheiderich felt that generators should also be required to contribute to the fund as it acted as a self-insurance fund to ensure the generators were paid each month. Mr. Stuart Nachmias said the Policy should be vetted by the Credit Policy Working Group. Mr. Ragogna felt this was not necessary since the policy only addresses administrative particulars. Mr. Ragogna assured Mr. Byron Farnsworth, of Energetix, that contributors to the fund would be refunded for the same amount as their contribution.

A motion was made to approve the NYISO Working Capital Policy, but the motion was never voted on since a second motion, offered by Mr. Thomas Rudebusch, of Duncan Weinberg Genzer & Pembroke, was approved to table the first motion.

Motion #3:

Motion to approve the NYISO Working Capital Policy as presented to the Business Issues Committee on June 26, 2002 and reviewed by the Billing and Accounting Working Group.
(Motion Tabled, See Motion #4)

Motion #4:

Motion to table Motion #3
(Motion passed with 61.30 % affirmative votes)

IX. Proposed Billing Cycle Policy

Mr. Bowers presented the BAWG recommendation to issue a final invoice within twelve months after the issuance of the initial invoice. He reported that the change would require Management Committee approval for a FERC filing modifying the existing policy, which would be targeted for implementation in October 2002.

A motion to amend the first motion to include a four-month dispute period did not carry. The first motion with friendly amendments carried by a majority show of hands.

Motion #5:

Motion to approve the NYISO Final Bill Policy as presented to the Business Issues Committee on June 26, 2002 and reviewed by the Billing and Accounting Working Group to implement a 12-month Final Bill Policy; and to request Management Committee

approval to file tariff amendments under Federal Power Act Section 205 necessary to make the policy effective. Business Issues Committee also requests the MC urge the NYISO staff to work diligently with BAWG to develop a plan to further shorten the time to achieve a final bill and to report back to the Business Issues Committee and Management Committee no later than the end of 2002.

(Motion passed by a majority show of hands)

Motion #6:

Motion to amend Motion #5 as follows:

Motion by the Business Issues Committee recommending to the Management Committee that NYISO staff be authorized to prepare and file with the Federal Energy Regulatory Commission proposed changes to the Open Access Transmission Tariff (“OATT”) and the Market Administration and Control Area Services Tariff (“MST”) to implement a 12-month final bill procedure as presented to the Business Issues Committee on June 26, 2002 and modified to provide for a 4 month dispute period after a final bill is rendered. Business Issues Committee also requests the Management Committee urge the NYISO staff to work diligently with BAWG to develop a plan to further shorten the time to achieve a final bill and to report back to the Business Issues Committee and Management Committee no later than the November 2002 meetings.

(Motion failed with 39.42 % affirmative votes)

X. Proposal to Report TSC Revenue

Mr. Scheiderich moved that the BIC should direct the NYISO to include an accounting of TSC revenues by interface in the monthly report. Mr. Savitt agreed that it was a good idea, and that such an account would have to conform with the code of conduct standard.

Motion #7:

Business Issues Committee hereby moves to direct the NYISO to provide monthly TSC revenue (\$'s) by interface - NE, PJM, HQ and OH for each month as part of the NYISO Monthly report starting as soon as reasonably possible. We further move to direct that the NYISO provide as much historical data in the same manner as is reasonably practicable.

(Motion passed unanimously by a show of hands with abstentions)

XI. Administrative Matters

Mr. Ray Stalter of the NYISO presented to the Committee administrative changes made to the Market Participant User’s Guide. Mr. Kevin Jones, of LIPA, noted that the Manual did not include some changes that had been discussed by the BAWG. Mr. Stalter requested that any concerns or recommended changes be emailed to him as soon as possible in order to be forwarded to appropriate NYISO staff.

XII. Adjournment

The meeting was adjourned at approximately 4:00 pm.

Respectfully submitted,
David R. Evanski, P.E.
Recording Secretary, Business Issues Committee

Business Issues Committee – Action Item Listing

Number	Action Items	Assigned to
BIC.06.26.02-1	Research the possibility of a cost benefit analysis of the high CPS2 level.	J. Savitt
BIC.06.26.02-2	Translate, and report in the Market Operations Report, Ancillary Services into “Effective” costs for LSEs (\$/Mwh)	J. Savitt
BIC.06.26.02-3	Market Monitoring and Customer Settlements to develop report of statewide vs. local uplift.	J. Savitt
BIC.06.26.02-4	Include in the Market Operations Report numbers related to the data illustrated in Chart 4-T.	J. Savitt
BIC.06.26.02-5	Report total monthly energy sendout as part of Chart 4-T.	J. Savitt

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Desmond Hotel, Albany, NY

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New York Independent System Operator - Committee Membership

Business Issues Committee - Attendance June 26, 2002 - Albany, NY - Parties Checked in Attendance

Organization	Sector	Representative	Alternate1	Alternate2	Alternate3	Alternate4	Alternate5	Proxy	Guest
NYS Energy Research & Develop. Auth. The City of New York	End Use - Gov. Agency/Aggr. End Use - Gov. Agency/Aggr.	Paul DeCotis Michael Delaney	✓ Richard Miller Michael Mager	Scott Butler Michael Mager	Jonathan Wallach				
Alcoa/Reynolds Metals Company ATCO Management Co.	End Use - Large Consumers End Use - Large Consumers	✓ Robert Loughney Peter DiCapua	Michael Mager Peter Petersen	George Diamantopoulos Michael Mager	Steven Latargia				
IBM Corporation	End Use - Large Consumers	✓ Robert Loughney	Michael Mager	Michael Mager					
Occidental Chemical Corp.	End Use - Large Consumers	✓ Robert Loughney	Michael Mager	Michael Mager					
Praxair Inc.	End Use - Large Consumers	Christian Lenci	✓ Robert Loughney	Michael Mager					
Xerox Corporation	End Use - Large Consumers	✓ Robert Loughney	Michael Mager	Michael Mager					
Metropolitan Transportation Authority	End Use - Large Cons. Gov.	✓ Jesse Samberg	Gary Caplan	Walter McCarroll					
Aaron Breidenbaugh	End Use - Small Consumers	✓ Aaron Breidenbaugh							
Association for Energy Affordability, Inc.	End Use - Small Consumers	David Hepinstall	✓ Larry DeWitt						
Beth Israel Health Care System	End Use - Small Consumers	Catherine Luthin	John Dowling	Jennifer Kearney	✓ Tariq Niazi	Doug Elfner			
Building and Realty Institute	End Use - Small Consumers	Herb Rose	Marjorie Ochrach	Ted Lee	Judith Mondre	✓ Tariq Niazi			
Caithness Energy, L.L.C	End Use - Small Consumers	None Assigned	Jack Feinstein						
Cianbro Corporation	End Use - Small Consumers	Ed Krapels	Brian Chernack						
Citizens Advisory Panel	End Use - Small Consumers	Gordian Raacke	✓ Larry DeWitt						
CNYC Inc. (Council of NY Coop & Condo)	End Use - Small Consumers	Herb Rose	MaryAnn Rothman	Marjorie Ochrach	Ted Lee	Judith Mondre	✓ Tariq Niazi		
Columbia University	End Use - Small Consumers	Catherine Luthin	John Dowling	Jennifer Kearney	✓ Tariq Niazi	Doug Elfner			
Hudson River Energy Group	End Use - Small Consumers	Frank Radigan							
Mount Sinai Medical Center	End Use - Small Consumers	Catherine Luthin	John Dowling	Jennifer Kearney	✓ Tariq Niazi	Doug Elfner			
New York Energy Buyers Forum	End Use - Small Consumers	Marjorie Ochroch	Ted Lee	David Bomke	✓ Tariq Niazi				
New York Presbyterian Hospital	End Use - Small Consumers	Catherine Luthin	John Dowling	Jennifer Kearney	✓ Tariq Niazi	Doug Elfner			
New York University	End Use - Small Consumers	Catherine Luthin	John Dowling	Jennifer Kearney	✓ Tariq Niazi	Doug Elfner			
Refined Sugars, Inc.	End Use - Small Consumers	John Gebhard	Quintin George	Catherine Luthin	John Dowling	Jennifer Kearney			
William P. Short	End Use - Small Consumers	William Short	Marc Schaefer	Joe DeVito	John Brodbeck	Ron Matlock		Paul Savage	Roberto Denis
NY State Consumer Protection Board	End Use - State Agency	✓ Tariq Niazi	Doug Elfner						
AES NY	Generation Owners	Doug Roll	✓ Charles Sjoberg	Christopher Wentlent					
American National Power, Inc.	Generation Owners	Dorothy Capra	Bill Henson						
Astoria Energy LLC	Generation Owners	William May	Leonard Singer						
Calpine	Generation Owners	John Eff	Thomas Kaslow	Richard Felak					
East Coast Power	Generation Owners	✓ Roy Shanker	Gary Keevill						
Edison Mission Marketing & Trading	Generation Owners	✓ William Roberts	Robert Agnello	Jeffrey Ellis					
Entergy Nuclear Northeast	Generation Owners	Marc Potkin	William Stone	✓ Ron Mackowiak					
Indeck Energy Services	Generation Owners	Mike Ferguson	John Schrage	Mark Younger					
KeySpan Ravenswood, Inc	Generation Owners	Kevin Knapp	Rich Hohlman	✓ Dick Ackerson	Ron Lukas	Terrence Kain	✓ James D'Andrea		
Mirant New York, Inc.	Generation Owners	Vicki Lynch	None Assigned	None Assigned	✓ Doreen Saia	Couch White			
NRG Energy	Generation Owners	Joe DeVito	✓ Frank Rapley	Paul Savage	Marc Dworkin	Ruben Brown	Peter Chamberlain		Chris Young
Orion Power New York	Generation Owners	✓ John Reese	Bruce Bleiweis						
PG&E Generating	Generation Owners	✓ Steve McDonald	Jeff Simmons						
PSEG Energy Resources & Trade	Generation Owners	✓ Howard Fromer	Michael LaFalce	Bob Logan	Dennis Sobieski				
Sithe Energies, Inc.	Generation Owners	None Assigned	✓ Garry Brown	David Applebaum					✓ Glenn Haake
TransCanada Power Marketing	Generation Owners	William Taylor	Elaine Beaudry						
NYS Department of Public Service	Non-voting	Tom Dvorsky	✓ Bill Heinrich						✓ Harvey Happ
1st Rochdale Cooperative NYC	Other Suppliers	Phyllis Kessler	Gregory Wortham	Andrea Mendez					
Advantage Energy, Inc.	Other Suppliers	Kyle Storie							
Amerada Hess Corporation	Other Suppliers	Kevin LaGuardia	Keith Mills						
American Electric Power (AEP) Srvc. Corp.	Other Suppliers	Ron McNamara	Paul Leanza						
Aquila Energy Marketing Corp.	Other Suppliers	Peter Brown	Peter Brown	David Wiesner	Pamela VanHorn	Richard Mooney	Susan Chamberlin	✓ Tom Chapman	
Cinergy Capital and Trading	Other Suppliers	Jan Bagnall	John Ambrose						
Con Edison Energy	Other Suppliers	✓ Stephen Wemple	Ivan Kimball						
Con Edison Solutions	Other Suppliers	✓ Stephen Wemple	Rich Staines						
Conectiv	Other Suppliers	Steve Huntoon	Bill Fehr						
Constellation Power Source	Other Suppliers	✓ Glen McCartney	David Taylor	Harvey Reed					
Duke Energy North America, LLC	Other Suppliers	Ronald Matlock	Del Disher	Tom Bankert					
Dynegy	Other Suppliers	Chad Wagner	Matthew Picardi						
EI Paso Merchant Energy	Other Suppliers	✓ Roy Shanker	Gary Keevill						
Energetix, Inc.	Other Suppliers	✓ Barney Farnsworth	Gerald Strassner						
Exelon Generation - Power Team	Other Suppliers	Eric Olson	✓ Garry Brown	Linda Clarke	Regina Carrado	David Applebaum			
FPL Energy	Other Suppliers	Bill Fenerty	Dan Wheeler						
HQ Energy Services	Other Suppliers	✓ Michel Prevost	Paul Norris						
KeySpan Energy Services	Other Suppliers	Ron Lukas	Ruben Brown	Peter Chamberlain	John Smith				
Morgan Stanley Capital Group	Other Suppliers	Patrick Murray	Karen Kochonies	Levon Kazarian	Doron Ezickson				

New York Independent System Operator - Committee Membership

Business Issues Committee - Attendance June 26, 2002 - Albany, NY - Parties Checked in Attendance

Organization	Sector	Representative	Alternate1	Alternate2	Alternate3	Alternate4	Alternate5	Proxy	Guest
New Energy Inc.	Other Suppliers	Peter Duprey	Carrie CullenHitt	Steve Fernands					
NU / Select Energy	Other Suppliers	✓ James Scheiderich	Gunnar Jorgensen						
Ontario Power Generation Inc.	Other Suppliers	Tasos Karatsoreos	Brian McConville	Ken Lacivita	Scott McArthur	Erica Cheung			
PP&L Energy Plus	Other Suppliers	Jim Strobel	Harry Tom	Roland Moor					
Reliant Energy Services, Inc.	Other Suppliers	Bruce Bleiweis	✓ John Reese						
Sempra Energy Trading	Other Suppliers	Tom Halleran	Dana Volpe	✓ Russel Like	Mally Becker	Bob Chilton			✓ Dan Staines
Strategic Energy LLC	Other Suppliers	Michael Swider	Jeffrey Knox	James McCormick	Helen Caldwell				
Strategic Power Management, Inc.	Other Suppliers	Mario DiValentino	Tom Folchi	✓ Dan Duthie					
Transalta (formerly MEGA)	Other Suppliers	Daniel Lobue	John Carmody						
TransÉnergie U.S. Ltd.	Other Suppliers	Michael Jacobs	José Rotger						
Williams Energy Marketing & Trading Co.	Other Suppliers	Marji Philips	David Singer	Dennis Keener					
Long Island Power Authority	Public Power - Authorities	James Parmelee	Alan Elberfeld	✓ Kevin Jones					
New York Power Authority	Public Power - Authorities	Bob Deasy	✓ Bob Gow	Paul Rougeaux					✓ Lou Consiglio
American Wind Energy Association	Public Power - Environmental	David Wooley	✓ Larry DeWitt						
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						✓ Chris Cook
Scenic Hudson	Public Power - Environmental	✓ Larry DeWitt							
Bath Electric, Gas & Water Systems	Public Power - Munis & Co-ops	Ken Moore	Matthew Benesh	Jim Hamilton	Paul Pallas	Jack Brown		✓ Tom Rudebusch	
City of Jamestown Board of Pub. Util.	Public Power - Munis & Co-ops	✓ Michael Darroch	David Gustafson	Wally Haase	✓ Tom Rudebusch				
Plattsburgh Municipal Lighting Dept.	Public Power - Munis & Co-ops	Jack Brown	Ken Moore	✓ Tom Rudebusch					
Village of Fairport	Public Power - Munis & Co-ops	Ken Moore	✓ Tom Rudebusch	Paul Pallas					
Village of Freeport	Public Power - Munis & Co-ops	Hubert Bianco	Robert Kortright	Anthony Fiore					
Village of Rockville Centre	Public Power - Munis & Co-ops	Paul Pallas	Ken Moore	Jim Hamilton	Jack Brown	Matthew Benesh		✓ Tom Rudebusch	
Village of Westfield	Public Power - Munis & Co-ops	Jim Hamilton	Ken Moore	Matthew Benesh	Jack Brown	Paul Pallas		✓ Tom Rudebusch	
Central Hudson Gas & Electric	Transmission Owners	James Valteau	✓ Thomas Canino	Jeff May	Rick Greener				
Consolidated Edison	Transmission Owners	✓ Stuart Nachmias	Gerry Dunbar						
National Grid	Transmission Owners	Wes Yeomans	✓ Jerry Ancona	Bart Franey					
NY State Electric Gas (NYSEG)	Transmission Owners	✓ Rick Mancini	John Kobuskie	✓ Ray Kinney	Dave Kimiecik				
Orange & Rockland, Inc.	Transmission Owners	Gary Rozmus							
Rochester Gas & Electric	Transmission Owners	✓ Laurie King-Pirchner	Gerald Walter						
New Member	Non-voting	None Assigned							
New Member	Non-voting	None Assigned							
New Member	Non-voting	None Assigned							
New Member	Non-voting	None Assigned							
New Member	Non-voting	None Assigned							
New Member	Non-voting	None Assigned							
New Member	Non-voting	None Assigned							

NYISO and Hunton & Williams Members in Attendance:

- ✓ James Schmidt Hunton & Williams
- ✓ Kathy Robb Hunton & Williams
- ✓ Dave Lawrence NYISO
- Rob Soeldner NYISO
- ✓ Elaine Robinson NYISO
- ✓ Kristen Kranz NYISO
- ✓ Jim Savitt NYISO
- ✓ James Considine NYISO
- ✓ Leigh Bullock NYISO
- ✓ Cheryl DeLaRosa NYISO
- ✓ Ray Stalter NYISO
- ✓ Gerald Deaver NYISO
- ✓ Dave Evanoski NYISO
- ✓ Jane Lathrop NYISO
- ✓ Kathy Whitaker NYISO
- ✓ Valerie Ross NYISO
- ✓ Ernie Cardone NYISO
- ✓ Andrew Hartshorn NYISO/LECG

Key:

✓ = In attendance

New York Independent System Operator

Business Issues Committee - June 26, 2002

Motion: Motion #4

Result: Motion Passed

Sector with base percent	%	Active	Quorum	Adj. Percent	For	Against	Abstain	% For	% Against	
Generation Owners	21.5	✓	✓	21.50	0.00	4.00	4	0.00	21.50	
Other Suppliers	21.5	✓	✓	21.50	1.00	4.00	4	4.30	17.20	
Transmission Owners	20.0	✓	✓	20.00	4.00	0.00	1	20.00	0.00	
End Use Consumers			✓							
Large Consumers	9.0	✓		9.00	5.00	0.00	0	9.00	0.00	
Large Cons. Gov. Agency	2.0	✓		2.00	1.00	0.00	0	2.00	0.00	
Small Consumers	4.5	✓		4.50	8.00	0.00	3	4.50	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	1	0.00	0.00	
Public Power			✓							
State Power Authorities	8	✓		8.00	2.00	0.00	0	9.07	0.00	
Munis and Coops	7	✓		7.00	6.00	0.00	0	7.93	0.00	
Environmental	2	✓		2.00	0.00	0.00	5	0.00	0.00	
				5	100.00	28.00	8.00	18	61.30	38.70
					100.00	Normalized to 100% :		61.30	38.70	

New York Independent System Operator

Business Issues Committee - June 26, 2002

Motion Motion #4

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	Richard Miller		y		
End Use - Large Consumers	Alcoa/Reynolds Metals Company	Robert Loughney		y	1.00	
End Use - Large Consumers	ATCO Management Co.					
End Use - Large Consumers	IBM Corporation	Robert Loughney		y	1.00	
End Use - Large Consumers	Occidental Chemical Corp.	Robert Loughney		y	1.00	
End Use - Large Consumers	Praxair Inc.	Robert Loughney		y	1.00	
End Use - Large Consumers	Xerox Corporation	Robert Loughney		y	1.00	
End Use - Large Cons. Gov.	Metropolitan Transportation Authority	Jesse Samberg		y	1.00	
End Use - Small Consumers	Aaron Breidenbaugh	Aaron Breidenbaugh		y		
End Use - Small Consumers	Association for Energy Affordability, Inc.	Larry DeWitt		y		
End Use - Small Consumers	Beth Israel Health Care System	Tariq Niazi		y	1.00	
End Use - Small Consumers	Building and Realty Institute	Tariq Niazi		y	1.00	
End Use - Small Consumers	Caithness Energy, L.L.C					
End Use - Small Consumers	Cianbro Corporation					
End Use - Small Consumers	Citizens Advisory Panel	Larry DeWitt		y		
End Use - Small Consumers	CNYC Inc. (Council of NY Coop & Condo)	Tariq Niazi		y	1.00	
End Use - Small Consumers	Columbia University	Tariq Niazi		y	1.00	
End Use - Small Consumers	Hudson River Energy Group					
End Use - Small Consumers	Mount Sinai Medical Center	Tariq Niazi		y	1.00	
End Use - Small Consumers	New York Energy Buyers Forum	Tariq Niazi		y	1.00	
End Use - Small Consumers	New York Presbyterian Hospital	Tariq Niazi		y	1.00	
End Use - Small Consumers	New York University	Tariq Niazi		y	1.00	
End Use - Small Consumers	Refined Sugars, Inc.					
End Use - Small Consumers	William P. Short					
End Use - State Agency	NY State Consumer Protection Board	Tariq Niazi		y	1.00	
Generation Owners	AES NY	Charles Sjoberg		y		1.00
Generation Owners	American National Power, Inc.					
Generation Owners	Astoria Energy LLC					
Generation Owners	Calpine					
Generation Owners	East Coast Power	Roy Shanker	y	y		
Generation Owners	Edison Mission Marketing & Trading	William Roberts		y		
Generation Owners	Energy Nuclear Northeast	Ron Mackowiak		y		
Generation Owners	Indeck Energy Services					
Generation Owners	KeySpan Ravenswood, Inc	Dick Ackerson		y		1.00
Generation Owners	Mirant New York, Inc.	Doreen Saia		y		1.00
Generation Owners	NRG Energy	Frank Rapley		y		
Generation Owners	Orion Power New York	John Reese	y	y		
Generation Owners	PG&E Generating	Steve McDonald		y		1.00
Generation Owners	PSEG Energy Resources & Trade	Howard Fromer		y		
Generation Owners	Sithe Energies, Inc.	Garry Brown	y	y		
Generation Owners	TransCanada Power Marketing					
Non-voting	NYS Department of Public Service	Bill Heinrich	y	y		
Other Suppliers	1st Rochdale Cooperative NYC					
Other Suppliers	Advantage Energy, Inc.					
Other Suppliers	Amerada Hess Corporation					
Other Suppliers	American Electric Power (AEP) Svcs. Corp.	Tom Chapman		y		
Other Suppliers	Aquila Energy Marketing Corp.					
Other Suppliers	Cinergy Capital and Trading					
Other Suppliers	Con Edison Energy	Stephen Wemple	y	y		
Other Suppliers	Con Edison Solutions	Stephen Wemple	y	y		
Other Suppliers	Conectiv					
Other Suppliers	Constellation Power Source	Glen McCartney		y		
Other Suppliers	Duke Energy North America, LLC					
Other Suppliers	Dynegy					
Other Suppliers	El Paso Merchant Energy	Roy Shanker		y		1.00
Other Suppliers	Energetix, Inc.	Barney Farnsworth	y	y		
Other Suppliers	Exelon Generation - Power Team	Garry Brown		y		
Other Suppliers	FPL Energy					
Other Suppliers	HQ Energy Services	Michel Prevost		y		1.00
Other Suppliers	KeySpan Energy Services		y			
Other Suppliers	Morgan Stanley Capital Group					
Other Suppliers	New Energy Inc.		y			
Other Suppliers	NU / Select Energy	James Scheiderich		y		1.00
Other Suppliers	Ontario Power Generation Inc.					
Other Suppliers	PP&L Energy Plus					
Other Suppliers	Reliant Energy Services, Inc.	John Reese		y		1.00
Other Suppliers	Sempra Energy Trading	Russel Like		y		
Other Suppliers	Strategic Energy LLC					
Other Suppliers	Strategic Power Management, Inc.	Dan Duthie		y		1.00
Other Suppliers	Transalta (formerly MEGA)					
Other Suppliers	TransEnergie U.S. Ltd.		y			
Other Suppliers	Williams Energy Marketing & Trading Co.					
Public Power - Authorities	Long Island Power Authority	Kevin Jones		y		1.00
Public Power - Authorities	New York Power Authority	Bob Gow		y		1.00
Public Power - Environmental	American Wind Energy Association	Larry DeWitt		y		
Public Power - Environmental	Environmental Advocates	Larry DeWitt		y		
Public Power - Environmental	Nat'l Resources Defense Council	Larry DeWitt		y		
Public Power - Environmental	Pace University	Larry DeWitt		y		
Public Power - Environmental	Scenic Hudson	Larry DeWitt		y		
Public Power - Munis & Co-ops	Bath Electric, Gas & Water Systems	Tom Rudebusch		y		1.00
Public Power - Munis & Co-ops	City of Jamestown Board of Pub. Util.	Michael Darroch		y		1.00
Public Power - Munis & Co-ops	Plattsburgh Municipal Lighting Dept.	Tom Rudebusch		y		1.00
Public Power - Munis & Co-ops	Village of Fairport	Tom Rudebusch		y		1.00
Public Power - Munis & Co-ops	Village of Freeport					
Public Power - Munis & Co-ops	Village of Rockville Centre	Tom Rudebusch		y		1.00
Public Power - Munis & Co-ops	Village of Westfield	Tom Rudebusch		y		1.00
Transmission Owners	Central Hudson Gas & Electric	Thomas Canino		y		1.00
Transmission Owners	Consolidated Edison	Stuart Nachmias		y		1.00
Transmission Owners	National Grid	Jerry Ancona		y		1.00
Transmission Owners	NY State Electric Gas (NYSEG)	Rick Mancini		y		1.00
Transmission Owners	Orange & Rockland, Inc.		y			
Transmission Owners	Rochester Gas & Electric	Laurie King-Pirchner		y		

New York Independent System Operator

Business Issues Committee - June 26, 2002

Motion: Motion #6

Result: Motion Failed

Sector with base percent	%	Active	Quorum	Adj. Percent	For	Against	Abstain	% For	% Against	
Generation Owners	21.5	✓	✓	21.50	5.00	0.00	3	21.50	0.00	
Other Suppliers	21.5	✓	✓	21.50	5.00	1.00	3	17.92	3.58	
Transmission Owners	20.0	✓	✓	20.00	0.00	5.00	0	0.00	20.00	
End Use Consumers			✓							
Large Consumers	9.0	✓		9.00	0.00	5.00	0	0.00	9.00	
Large Cons. Gov. Agency	2.0	✓		2.00	0.00	1.00	0	0.00	2.00	
Small Consumers	4.5	✓		4.50	0.00	8.00	3	0.00	4.50	
Gov. State-wide Cons. Advocate	2.7	✓		2.70	0.00	1.00	0	0.00	4.50	
Gov. Sm. Cons. & Retail Aggr.	1.8	✓		1.80	0.00	0.00	1	0.00	0.00	
Public Power			✓							
State Power Authorities	8	✓		8.00	0.00	2.00	0	0.00	9.07	
Munis and Coops	7	✓		7.00	0.00	5.00	1	0.00	7.93	
Environmental	2	✓		2.00	0.00	0.00	5	0.00	0.00	
				5	100.00	10.00	28.00	16	39.42	60.58
					100.00	Normalized to 100% :		39.42	60.58	

New York Independent System Operator

Business Issues Committee - June 26, 2002

Motion Motion #6

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	Richard Miller		y		
End Use - Large Consumers	Alcoa/Reynolds Metals Company	Robert Loughney		y		1.00
End Use - Large Consumers	ATCO Management Co.					
End Use - Large Consumers	IBM Corporation	Robert Loughney		y		1.00
End Use - Large Consumers	Occidental Chemical Corp.	Robert Loughney		y		1.00
End Use - Large Consumers	Praxair Inc.	Robert Loughney		y		1.00
End Use - Large Consumers	Xerox Corporation	Robert Loughney		y		1.00
End Use - Large Cons. Gov.	Metropolitan Transportation Authority	Jesse Samberg		y		1.00
End Use - Small Consumers	Aaron Breidenbaugh	Aaron Breidenbaugh		y		
End Use - Small Consumers	Association for Energy Affordability, Inc.	Larry DeWitt		y		
End Use - Small Consumers	Beth Israel Health Care System	Tariq Niazi		y		1.00
End Use - Small Consumers	Building and Realty Institute	Tariq Niazi		y		1.00
End Use - Small Consumers	Caithness Energy, L.L.C					
End Use - Small Consumers	Cianbro Corporation					
End Use - Small Consumers	Citizens Advisory Panel	Larry DeWitt		y		
End Use - Small Consumers	CNYC Inc. (Council of NY Coop & Condo)	Tariq Niazi		y		1.00
End Use - Small Consumers	Columbia University	Tariq Niazi		y		1.00
End Use - Small Consumers	Hudson River Energy Group					
End Use - Small Consumers	Mount Sinai Medical Center	Tariq Niazi		y		1.00
End Use - Small Consumers	New York Energy Buyers Forum	Tariq Niazi		y		1.00
End Use - Small Consumers	New York Presbyterian Hospital	Tariq Niazi		y		1.00
End Use - Small Consumers	New York University	Tariq Niazi		y		1.00
End Use - Small Consumers	Refined Sugars, Inc.					
End Use - Small Consumers	William P. Short					
End Use - State Agency	NY State Consumer Protection Board	Tariq Niazi		y		1.00
Generation Owners	AES NY	Charles Sjoberg		y	1.00	
Generation Owners	American National Power, Inc.					
Generation Owners	Astoria Energy LLC					
Generation Owners	Calpine					
Generation Owners	East Coast Power	Roy Shanker	y	y		
Generation Owners	Edison Mission Marketing & Trading	William Roberts		y	1.00	
Generation Owners	Energy Nuclear Northeast	Ron Mackowiak		y	1.00	
Generation Owners	Indeck Energy Services					
Generation Owners	KeySpan Ravenswood, Inc	Dick Ackerson		y		
Generation Owners	Mirant New York, Inc.	Doreen Saia		y		
Generation Owners	NRG Energy	Frank Rapley		y	1.00	
Generation Owners	Orion Power New York	John Reese	y	y		
Generation Owners	PG&E Generating	Steve McDonald		y	1.00	
Generation Owners	PSEG Energy Resources & Trade	Howard Fromer		y		
Generation Owners	Sithe Energies, Inc.	Garry Brown	y	y		
Generation Owners	TransCanada Power Marketing					
Non-voting	NYS Department of Public Service	Bill Heinrich	y	y		
Other Suppliers	1st Rochdale Cooperative NYC					
Other Suppliers	Advantage Energy, Inc.					
Other Suppliers	Amerada Hess Corporation					
Other Suppliers	American Electric Power (AEP) Svcs. Corp.	Tom Chapman		y		
Other Suppliers	Aquila Energy Marketing Corp.					
Other Suppliers	Cinergy Capital and Trading					
Other Suppliers	Con Edison Energy	Stephen Wemple	y	y		
Other Suppliers	Con Edison Solutions	Stephen Wemple	y	y		
Other Suppliers	Conectiv					
Other Suppliers	Constellation Power Source	Glen McCartney		y		
Other Suppliers	Duke Energy North America, LLC					
Other Suppliers	Dynegy					
Other Suppliers	El Paso Merchant Energy	Roy Shanker		y		
Other Suppliers	Energetix, Inc.	Barney Farnsworth	y	y		
Other Suppliers	Exelon Generation - Power Team	Garry Brown		y	1.00	
Other Suppliers	FPL Energy					
Other Suppliers	HQ Energy Services	Michel Prevost		y	1.00	
Other Suppliers	KeySpan Energy Services		y			
Other Suppliers	Morgan Stanley Capital Group					
Other Suppliers	New Energy Inc.		y			
Other Suppliers	NU / Select Energy	James Scheiderich		y		1.00
Other Suppliers	Ontario Power Generation Inc.					
Other Suppliers	PP&L Energy Plus					
Other Suppliers	Reliant Energy Services, Inc.	John Reese		y	1.00	
Other Suppliers	Sempra Energy Trading	Russel Like		y	1.00	
Other Suppliers	Strategic Energy LLC					
Other Suppliers	Strategic Power Management, Inc.	Dan Duthie		y	1.00	
Other Suppliers	Transalta (formerly MEGA)					
Other Suppliers	TransEnergie U.S. Ltd.		y			
Other Suppliers	Williams Energy Marketing & Trading Co.					
Public Power - Authorities	Long Island Power Authority	Kevin Jones		y		1.00
Public Power - Authorities	New York Power Authority	Bob Gow		y		1.00
Public Power - Environmental	American Wind Energy Association	Larry DeWitt		y		
Public Power - Environmental	Environmental Advocates	Larry DeWitt		y		
Public Power - Environmental	Nat'l Resources Defense Council	Larry DeWitt		y		
Public Power - Environmental	Pace University	Larry DeWitt		y		
Public Power - Environmental	Scenic Hudson	Larry DeWitt		y		
Public Power - Munis & Co-ops	Bath Electric, Gas & Water Systems	Tom Rudebusch		y		1.00
Public Power - Munis & Co-ops	City of Jamestown Board of Pub. Util.	Michael Darroch		y		
Public Power - Munis & Co-ops	Plattsburgh Municipal Lighting Dept.	Tom Rudebusch		y		1.00
Public Power - Munis & Co-ops	Village of Fairport	Tom Rudebusch		y		1.00
Public Power - Munis & Co-ops	Village of Freeport					
Public Power - Munis & Co-ops	Village of Rockville Centre	Tom Rudebusch		y		1.00
Public Power - Munis & Co-ops	Village of Westfield	Tom Rudebusch		y		1.00
Transmission Owners	Central Hudson Gas & Electric	Thomas Canino		y		1.00
Transmission Owners	Consolidated Edison	Stuart Nachmias		y		1.00
Transmission Owners	National Grid	Jerry Ancona		y		1.00
Transmission Owners	NY State Electric Gas (NYSEG)	Rick Mancini		y		1.00
Transmission Owners	Orange & Rockland, Inc.		y			
Transmission Owners	Rochester Gas & Electric	Laurie King-Pirchner		y		1.00