

NYISO Management Committee Meeting

August 8, 2002

The Desmond
660 Albany Shaker Road

MINUTES OF THE MEETING

1. Introduction and Meeting Objectives and Chairman's Report

Mr. Hiney called the meeting to order at 10:04 AM and welcomed the members of the Management Committee ("MC"). He noted that the MC would be acting on five issues and announced that a special meeting of the MC was planned for August 19th, via phone conference to discuss and vote on the TCC Credit Policy.

2. Approval of the Minutes

Ms. Robinson presented the minutes of July 11th for approval.

Motion #1:

Motion to approve the Minutes of July 11, 2002

(Motion passed unanimously by a show of hands)

3. President's Report

Reliability Indicators

Mr. Museler began the report by noting that the control performance standard, CPS2, had decreased to a level below that of prior months, although still above the target. The drop in performance may have been caused by an unplanned transmission line outage on July 5th and the implementation of load pocket modeling. He did not believe the decrease in performance represented a systemic problem, and anticipated an increase in CPS2 in coming months over the level measured in July. He remarked that adjustments to the weather component of the load-forecasting tool seem to have worked. When asked when the adjustments were made, Mr. Calimano replied July 20th or 21st.

Market Performance Highlights

With respect to the BME/SCD convergence initiatives, Mr. Museler referred to Chart 4-D, which indicates the prices had converged in July better than in other high load months. He thought that prices in Zone J, Chart 4-K, were not yet converging well enough. Mr. Museler also noted that participants were using multi-hour block bids to a greater extent, and observed the increasing number, and percentage, of interval price corrections for

June and July. He attributed the increase to a problem requiring gas turbines to be committed out of merit, and commented that the NYISO is working on a software fix.

Ms. Lynch pointed out that the hand out package did not include the uplift charts. Mr. Museler replied that the uplift charts are included in the monthly report, and that the chart would be provided before the end of the meeting. Mr. Scheiderich asked if Consolidated Edison had plans to inspect all applicable cables for oil leaks. Dr. Sasson explained that inspections are not necessary since Consolidated Edison monitors cable oil pressure and flows, and there is an automatic alarm system to notify operators of problems as they occur.

KPMG Enron Audit and MPAAS Involvement

Mr. Museler reported that the KPMG Enron Audit is progressing, and stated that other Enron-like exposure issues have not been found. The NYISO will work with FERC to resolve the hybrid pricing and regulation penalty issues. High-risk customers are now being monitored by the credit management group on a daily basis. He expected a semi-final report to the board of directors during the week on August 19th, and said that a report would be issued to participants. In response to Ms. Lynch, Mr. Museler stated that the Enron non-payment had not yet been declared as bad debt, and added that a discussion at the Business Issues Committee ("BIC") would cover how the revenues would be collected. For now, the amount of the non-payment was drawn from the working capital fund.

Mr. Museler indicated that the Market Participant Audit Advisory Subcommittee ("MPAAS") had met with the Audit & Compliance ("A&C") committee chair, and that a meeting of minds could be achieved regarding internal audits. He added that the A&C committee would also address MPAAS involvement in the SAS 70 Audit.

FERC Fee Overcharge

Mr. Museler could not explain the amount of the FERC fee charged to the NYISO when compared to the charges to ISO-NE and PJM. He said the NYISO will file with the FERC for a rehearing on the charges. In response to Mr. Nachmias, he added that the NYISO had not discussed the FERC fee with the ISO-NE.

RTS/SMD and Seams

When asked about an expected RTO filing date, Mr. Museler indicated there is no pressing deadline, but expected the NERTO filing to parallel the NOPR process, and that one of the larger issues was governance – who elects the board members? He explained that the Oversight Committee would review where we are with the full Board, and the Board would make the decision after a detailed review of the NOPR. Mr. Fromer questioned why the NYISO timetable was less aggressive than what the FERC expects. Mr. Museler replied that the key to the answer is when you start. He felt that the NYISO could comply with the FERC two-year time frame using RTS/SMD2.0, but ISO-NE is dealing with SMD1.0 and does not have the time to devote to forming a single market at present.

Mr. Delaney expressed his concern that certain news media appeared to have used a recent NYISO comment to suggest the existence of a current or imminent energy crisis in New York City. Mr. Museler explained that the statement had actually referred to the long term need for operating reserves, and was taken out of context. Mr. Museler also said that he would remind NYISO communications personnel of the need to take care in making press statements.

4. Presentation on Implementation and Schedule for RTS and Alternatives to RTS

Mr. Pike presented a report assessing the benefits and risks for two alternatives. One alternative would incorporate the vision for a Northeast market and delay until NERTO was in place. The other option would move forward with RTS for NYISO only. Mr. Pike stated that the NYISO recommendation was to move forward with the second option in order to achieve the market efficiency benefits sooner, enhance system reliability, and avoid making extensive investments in outdated systems. He explained that the risks for this option included the cost of discarding some of the systems as the NERTO came into existence.

Dr. Sasson pointed out a variance in the benefit claimed in Mr. Pike's report and an earlier report analyzing the costs and benefits associated with the formation of the NERTO. Mr. Pike said he would look into the difference, but reiterated that the benefits were conservative and significant.

Ms. Saia asked what was limiting the demand response program in the current system. Mr. Pike explained that there is no problem with the SCUC, but the demand response customers need to balance in the real time markets and the number of slots available in the real time systems is limited. Mr. Reed was assured that the number of out of merit commitments would go down. Dr. Patton added that RTS would improve pricing of reserves under scarcity conditions and allow loads to better hedge their risk. Mr. Museler replied to Mr. Nachmias' question that the NYISO would move forward under the NYISO/PJM agreement to move toward a modular "plug & play" system. He also replied to Mr. Fromer that ISO-NE has been briefed and understands the NYISO recommendation to move forward with RTS. Mr. Kinney agreed with the need to fix the real time system and expressed his desire to have the NYISO sit down with PJM to move forward with a single platform.

5. Report from BS&P; Presentation of Two Motions

Mr. Parmelee addressed the MC and requested guidance on two issues being dealt with by the Budget Standards and Performance subcommittee ("BS&P"). Mr. Parmelee asked the MC to consider alternatives for adjusting Rate Schedule 1 to account for a billable load megawatt-hour value that was less than projected. Mr. Parmelee added a fourth option to the three included in his handout. That options was, Option D: Borrow the

amount needed from the working capital fund, and replace it the next year. Mr. Parmelee asked the MC to indicate their preference among the four options by a show of hands. Option D – received the most support.

Mr. Parmelee informed the MC that \$5 million had been budgeted for FERC fees and it turned out to be approximately \$6.2 million.

Mr. Scheiderich expressed his preference to avoid variability by not changing Schedule 1 rates until 2003. Ms. Lynch was informed that when the 85/15 ratio is approved, it would apply to collection of revenue for the FERC fee. Mr. Fromer was also informed that accumulated interest would increase the working capital fund.

Mr. Parmelee conducted a second poll for input. A show of hands indicated the MC's inclination to defer collection budget shortfall until 2003.

Lunch Break

After breaking for lunch and allowing for market sector caucuses, the market sectors expressed their position regarding the recommendation to move forward with a real time scheduling system.

Generator Sector: Strong Support

Public Power Sector: Support – with the recommendation that the costs of the RTS be capitalized and recovered over time.

End Use Sector: Support and expresses strong desire to improve seams

Other Supplier Sector: Strong Support

Transmission Owner Sector: Not opposed to the recommendation with the following conditions:

1. The NYISO will consult with PJM, as well as ISO-NE, to ensure that the technology platforms being developed by the three Northeast ISOs to implement SMD are compatible and that wasteful and duplicative investments are avoided;
2. Expenditures for the development of RTS/SMD2.0 are closely monitored and reported to the Management Committee on a regular basis, and are subject to the regular Management Committee budget process;
3. The implementation of RTS/SMD2.0 will be consistent with the modularity requirements of the SMD NOPR, to preserve the option to use different software vendors in the future; and
4. The NYISO will work with market participants to develop a consensus with respect

to the implementation of a single electricity market for the entire Northeast Region with a single or fully compatible with software platforms.

6. Presentation of SEF Appeal of an Operating Committee Vote

Mr. Allen explained the SEF appeal of the Operating Committee's conditional approval of Keyspan's System Reliability Impact Study ("SRIS") of the 138 kV Interconnection Project. He maintained that the interconnection project could not be included in class 2001 or 2002 for allocating cost responsibility, since the SRIS was not approved by the March 2002 deadline. Mr. Pratt, representing Keyspan-Ravenswood, argued that the deadline was met because the 138 kV interconnection was an amendment to an earlier SRIS. Mr. Pratt also claimed that the SEF appeal should be rejected as a matter of law, since SEF was not a party to the NYISO Agreement.

NYISO counsel clarified that a motion was not necessary to vote on an appeal.

(Appeal failed by a majority show of hands)

7. Presentation of External Transaction Performance on High Load Days

Dr. Patton presented the results of his analysis of the utilization of the interfaces between New York, PJM and the NE-ISO. Dr. Patton analysis reviewed the net interchange and price differentials between markets on peak days to determine if transactions between the markets were conducted efficiently. The method employed by the analysis was to determine, during non-binding hours, if transactions were flowing in the direction of high prices between the markets, and if participants were acting quickly to arbitrage large price differentials. The analysis did not find strong positive correlations between scheduled interchange and price differentials. The study also found that scheduled interchange changed only slightly in response to high prices, and sometimes in the wrong direction.

Mr. Scheiderich asked if the hours looked at were the same hours for all interfaces. Dr. Patton explained that the hours used should be nearly the same, since the rules used to filter out un-used hours would have resulted in similar hours for the different interfaces. Mr. McDonald said that the NYISO should look for correlations using BME prices, since participants react to those prices instead of real time. Dr. Patton replied that the same patterns appear even when BME and SCD prices do not diverge. When asked for his recommendation, Dr. Patton suggested an alternative scheduling procedure analogous to internal scheduling where transactions are scheduled financially.

8. Presentation on Proposed Tariff Amendments Related to Installed Capacity

Market Design

Mr. Charlton detailed the list of proposed changes to the ICAP Manual and Section 5 of the Market Services Tariff. The proposed changes were for the purpose of addressing modifications to and clarifications of the ICAP market rules. Mr. Wemple informed the MC that the proposed changes were passed by the BIC by a show of hands.

Motion #3:

Motion to amend the NYISO Services Tariff as Proposed by the Installed Capacity Working Group,

WHEREAS, the Installed Capacity working group has reviewed and proposed changes to the NYISO Services Tariff;

WHEREAS, these changes have been approved by the Installed Capacity working group and the Business Issues Committee;

NOW, THEREFORE, IT IS MOVED that the Management Committee approves the attached proposed revisions to the NYISO Services Tariff and recommends the Services Tariff revisions to the NYISO Board for approval and submittal to FERC.

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

9. Presentation of Proposed Working Capital Policy

Mr. Ragona proposed an interim Working Capital policy, which clarifies the provisions for working capital funding. He explained that the tariff does not provide details for how to administer the fund. The written proposal was a six-page document that addressed reconciliations, contributions, interest, and other adjustments, which had been approved by the BIC. Mr. Ragona reported that the BIC also amended a provision to the policy, to allow participants to use their contribution to the fund as collateral, and added that this provision was not supported by the NYISO.

Mr. Reed asked how a party's collateral, when used to cover bad debt, would be replenished. Mr. Ragona answered that the funds would be replaced by a call to market participants. In response to a question from Ms. Saia, he noted that the Board had not yet declared the \$10 million Enron non-payment as bad debt. Ms. Saia stated the loss should be declared and the working capital fund replenished. She also wondered why the Board would authorize the collection of \$50 million, but wait to replenish the \$10 million withdrawn for the Enron non-payment. When asked by Mr. Duthie, Mr. Ragona explained that when the fund is replenished, participant accounts are rebalanced.

Mr. Rudebusch moved the motion to approve the interim Working Capital policy as approved by the BIC. An unfriendly motion was made and seconded to amend the proposed policy to remove the provision that would allow working capital to be used as collateral.

Motion #5:

Motion to amend Motion #4 to not allow working capital to be used as collateral.

(Motion failed with 14.33% affirmative votes)

After the unfriendly motion failed, the original motion was voted on.

Motion #4:

The Management Committee approves the working capital policy as presented and recommends that the Board make a 205 tariff filing to implement it.

(Motion passed by a majority show of hands)

10. Presentation of Proposed Tariff Amendments to Supplement Day Ahead Units Requested by the NYISO to Back Down in the Real Time

Mr. Hickey described a settlement problem for suppliers wherein generators could be disadvantaged by responding to the NYISO to alleviate real time reliability needs. He explained that suppliers who deviate from their day-ahead schedules at the direction of the NYISO could incur financial penalties, and should be held harmless.

Mr. Yeomans asked if the NYISO could achieve the same result by putting such suppliers out of merit. Mr. Hickey indicated that out of merit status would not work for suppliers backed down on their bid curves. Mr. Younger asked if the proposed amendment would address the problem where a supplier can be ordered off line by the NYISO and only receive a partial payment for start-up costs. Ms. Lampi said that a review of the tariff had not been completed, and the proposed tariff amendment did not address that situation. Mr. Rapley expressed his concern that suppliers directed to reduce output in the real time would incur gas-balancing penalties. Mr. Hickey suggested such penalties would need to be addressed through the discretionary action process. When requested by Mr. Gioia, Ms. Lampi indicated a report of the contract balancing payments could be issued by the NYISO. Ms. Lynch asserted the data was already available on the NYISO web sight in the reconciliation report. Mr. Gioia presented a list of requests for the NYISO which included, a description and quantification of unauthorized payments to generators that were not approved by BIC at its meeting in October of 2001, the NYISO's plans to correct the billing and settlements with suppliers who erroneously received such unauthorized payments, including plans for related refunds or Schedule 1 credits, the status of the NYISO's efforts to correct the software problems that caused these unauthorized payments, and a description of the NYISO's control procedures with respect to software implementation and testing that would prevent a recurrence of such unauthorized payments in the future. Mr. Kinney stated that section 5.4 of the Market Services Tariff requires prices to be recalculated to reflect the new dispatch when a supplier is directed downward. Ms. Lampi said the issue would be dealt with in the drafting of the tariff language.

A motion was made and seconded to make a Section 205 filing to amend the Market Services Tariff.

Motion #6:

The Management Committee requests that the Board concur and make a Section 205 filing to amend the tariff(s) to clarify the payment to be made to Suppliers with DA contracts who move below their DA schedule at the direction of the NYISO as described in the presentation material for the Management Committee August 8, 2002. Tariff Language to be approved by the Tariff Review Subcommittee with the advice from the Scheduling and Pricing Working Group.

(Motion passed unanimously by a show of hands)

11. Presentation of Proposal on Station Service Power in Connection with a Compliance Filing due to FERC by August 13, 2002

Mr. Hickey described a NYISO proposal to address station power in the Market Service Tariff, as directed by the May 15, 2002 FERC Order. The proposed NYISO compliance plan would allow netting of station power from local or remote generators over a monthly period. The proposal would also assess a NTAC and TSC for remote self-supply, and would not account for ancillary services.

Ms. Lampi asked participants to provide comments concerning the proposal to her by Thursday of the following week. Mr. Butterlee did not believe that netting would accurately reflect the ancillary service needs of power stations, and commented that FERC does not require the NYISO to follow PJM's example. Mr. Yeomans expected that netting would create a set of rules for load reporting that would be difficult to administer. He asked if the NYISO would be discussing the proposal with the Public Service Commission. Ms. Lampi affirmed that the Public Service Commission would be briefed. Mr. Kinney asserted that netting should not apply to delivery charges. Mr. Wentlent replied that since netted energy does not constitute a sale, delivery charges should not apply.

12. Presentation of Amendments to the NYISO Code of Conduct to Prohibit and Penalize the Use of Insider Information for Personal Advantage

Mr. Freilicher presented proposed revisions to Attachment F of the NYISO Open Access Transmission Tariff. He described how the amendment would provide clarification for NYISO employees with regard to behavior related to insider trading and insider information. Mr. Freilicher said the amendment, along with employee training, would limit NYSIO liabilities in the event of insider trading.

A motion was made and seconded to make a Section 205 filing to amend Section F.

Motion #7:

The Management Committee concurs in the Board's decision to make a Section 205 filing to amend the ISO Code of Conduct as contained in Attachment F of the OATT as presented to the Management Committee on August 8, 2002.

(Passed unanimously by a show of hands)

13. Adjournment

The meeting adjourned at approximately 3:55 PM.

NYISO Management Committee Meeting

August 8, 2002

Desmond Hotel, Albany, NY

MOTIONS FROM THE MEETING

Motion #1:

Motion to approve the Minutes of July 11, 2002

(Motion passed unanimously by a show of hands)

Motion #2:

For the foregoing reasons, SEF requests the Management Committee to rule that:

i) the contingent Operating Committee approval of Keyspan's SRIS for its 138 kV interconnection project is rescinded pending corrections by Keyspan to comply with the SRIS Criteria.

(Motion failed by a majority show of hands)

Motion #3:

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WHEREAS, the Installed Capacity working group has reviewed and proposed changes to the NYISO Services Tariff;

WHEREAS, these changes have been approved by the Installed Capacity working group and the Business Issues Committee;

NOW, THEREFORE, IT IS MOVED that the Management Committee approves the attached proposed revisions to the NYISO Services Tariff and recommends the Services Tariff revisions to the NYISO Board for approval and submittal to FERC.

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

Motion #4:

The Management Committee approves the working capital policy as presented and recommends that the Board make a 205 tariff filing to implement it.

(Motion passed by a majority show of hands)

Motion #5:

Motion to amend Motion #4 to not allow working capital to be used as collateral.

(Motion failed with 14.33% affirmative votes)

Motion #6:

The Management Committee requests that the Board concur and make a Section 205 filing to amend the tariff(s) to clarify the payment to be made to Suppliers with DA contracts who move below their DA schedule at the direction of the NYISO as described in the presentation material for the Management Committee August 8, 2002. Tariff Language to be approved by the Tariff Review Subcommittee with the advice from the Scheduling and Pricing Working Group.

(Motion passed unanimously by a show of hands)

Motion #6:

The Management Committee concurs in the Board's decision to make a Section 205 filing to amend the ISO Code of Conduct as contained in Attachment F of the OATT as presented to the Management Committee on August 8, 2002.

(Passed unanimously by a show of hands)

New York Independent System Operator - Committee Membership

Management Committee - Attendance August 8, 2002 - 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	✓ Jeffrey Gerber	Erin Hogan					
The City of New York	End Use - Gov. Agency/Aggr.	✓ Michael Delaney	Richard Miller	Scott Butler	Jonathan Wallach				
Alcoa/Reynolds Metals Company	End Use - Large Consumer	Robert Loughney	✓ Michael Mager	✓ Michael Mager					
ATCO Management Co.	End Use - Large Consumer	Peter DiCapua	Scott Petersen	George Diamantopoulos	Steven Latargia				
IBM Corporation	End Use - Large Consumer	Robert Loughney	✓ Michael Mager						
Occidental Chemical Corp.	End Use - Large Consumer	Robert Loughney	✓ Michael Mager	✓ Michael Mager					
Praxair Inc.	End Use - Large Consumer	Christian Lenci	Robert Loughney	✓ Michael Mager					
Xerox Corporation	End Use - Large Consumer	Robert Loughney	✓ Michael Mager	✓ Michael Mager					
Metropolitan Transportation Authority	End Use - Large Cons. Gov.	✓ Jesse Samberg	Gary Caplan	Walter McCarroll					✓ Joseph Sardo
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	Marjorie Ochrach	Ted Lee	Judith Mondre	✓ Tariq Niazi			
Calthness Energy, L.L.C	Non-voting	None Assigned	Jack Feinstein						
Cianbro Corporation	Non-voting	Chuck Hewett	John Tompkins						
Citizens Advisory Panel	End Use - Small Consumer	Gordian Raacke	✓ Larry DeWitt						
CNYC Inc. (Council of NY Coop & Condo)	End Use - Small Consumer	Herb Rose	MaryAnn Rothman	Marjorie Ochrach	Ted Lee	Judith Mondre	✓ Tariq Niazi		
Columbia University	End Use - Small Consumer	Catherine Luthin	✓ John Dowling	Jennifer Kearney	✓ Tariq Niazi	Doug Elfner			
Hudson River Energy Group	Non-voting	Frank Radigan							
Mount Sinai Medical Center	End Use - Small Consumer	Catherine Luthin	✓ John Dowling	Jennifer Kearney	✓ Tariq Niazi	Doug Elfner			
New York Energy Buyers Forum	Non-voting	Marjorie Ochroch	Ted Lee	David Bomke	✓ Tariq Niazi	Herb Rose			
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			
Refined Sugars, Inc.	End Use - Small Consumer	John Gebhard	Quintin George	Catherine Luthin	✓ John Dowling	Jennifer Kearney			
William P. Short	Non-voting	William Short	Marc Schaefer	Joe DeVito	✓ John Brodbeck	Ron Matlock	Paul Savage	Roberto Denis	
NYS State Consumer Protection Board	End Use - State Agency	✓ Tariq Niazi	Doug Elfner						
AES NY	Generation Owners	✓ Christopher Wentlent	Rick Santoroski	Charles Sjoberg					
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	Gary Keevill	Asavari Alvarez						
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	James Brennan	Rich Hohlman	✓ Dick Ackerson	James D'Andrea	✓ Terrence Kain	Ron Lukas	✓ Charlie Pratt	
Mirant New York, Inc.	Generation Owners	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						
Sithe Energies, Inc.	Generation Owners	None Assigned	✓ Garry Brown	✓ David Applebaum					✓ Glenn Haake
TransCanada Power Marketing	Generation Owners	William Taylor	Elaine Beaudry						
Aaron Breidenbaugh	Non-voting	Aaron Breidenbaugh							
NYS Department of Public Service	Non-voting	Saul Rigberg	Tom Dvorsky						
1st Rochdale Cooperative NYC	Other Suppliers	Phyllis Kessler	Gregory Wortham		Andrea Mendez				
Advantage Energy, Inc.	Other Suppliers	Kyle Storie							
Amerada Hess Corporation	Other Suppliers	Hemant Jain	Kevin Laguardia	Keith Mills					
American Electric Power (AEP) Svc. Corp.	Other Suppliers	Ron McNamara	Tom Chapman						
Aquila Energy Marketing Corp.	Other Suppliers	Jason Stever	✓ Peter Brown	David Wiesner	Pamela VanHorn	Richard Mooney	Susan Chamberlin		
Cinergy Capital and Trading	Other Suppliers	Walt Yeager	Jan Bagnall						
Con Edison Energy	Other Suppliers	Ken Bekman	Ivan Kimball						
Con Edison Solutions	Other Suppliers	Ken Bekman	✓ Stephen Wemple						
Connectiv	Other Suppliers	Steve Huntton	Bill Fehr						
Constellation Power Source	Other Suppliers	✓ Harvey Reed	✓ Glen McCartney	David Taylor	✓ Mary Lynch	Daniel Allegretti			
Coral Power, LLC	Other Suppliers	Marc Overdyk	✓ Dave French						
Dominion Energy Marketing, Inc.	Other Suppliers	✓ Lou Oberski	Harold Adams						
Duke Energy North America, LLC	Other Suppliers	Ronald Matlock	Del Disher	Tom Bankert					
Dynegy	Other Suppliers	Chad Wagner	Matthew Picardi					✓ Reed Armstrong	
El Paso Merchant Energy	Other Suppliers	Gary Keevill	Asavari Alvarez						
Energetix, Inc.	Other Suppliers	Barney Farnsworth							
Exelon Generation - Power Team	Other Suppliers	Linda Clarke	✓ Garry Brown	✓ David Applebaum	Regina Carrado	Eric Olson			
FPL Energy	Other Suppliers	Roberto Denis	✓ Bill Fenerty						
HQ Energy Services	Other Suppliers	Benoit Goyette	✓ Michel Prevost	Paul Norris	Joel Zipp	Gunnar Birgisson			
KeySpan Energy Services	Other Suppliers	Ron Lukas	Ruben Brown	Peter Chamberlain	John Smith				

New York Independent System Operator - Committee Membership

Management Committee - Attendance August 8, 2002 - Albany, NY - Parties Checked in Attendance

Organization	Sector	Representative	Alternate1	Alternate2	Alternate3	Alternate4	Alternate5	Proxy	Guest
Morgan Stanley Capital Group	Other Suppliers	Patrick Murray	Karen Kochonies	Levon Kazarian	Doron Ezickson				
New Energy Inc.	Other Suppliers	Peter Duprey	Carrie CullenHitt	Steve Fernands					
NU / Select Energy	Other Suppliers	Gunnar Jorgensen	✓ James Scheiderich						
Ontario Power Generation Inc.	Other Suppliers	✓ Barry Green	Tasos Karatsoreos	Ken Lacivita					
PP&L Energy Plus	Other Suppliers	✓ John Brodbeck		Roger Dolan					
Reliant Energy Services, Inc.	Other Suppliers	✓ Bruce Bleiweis	John Reese						
Sempra Energy Trading	Other Suppliers	Tom Halleran	Dana Volpe	✓ Russel Like		Bob Chilton			
Strategic Energy LLC	Other Suppliers	✓ Michael Swider	Jeffrey Knox	James McCormick		Mally Becker Helen Caldwell			
Strategic Power Management, Inc.	Other Suppliers	✓ Dan Duthie	Mario DiValentino						
Transalta (formerly MEGA)	Other Suppliers	Daniel Lobue	John Carmody						
TransEnergie U.S. Ltd.	Other Suppliers	José Rotger	Michael Jacobs						
Williams Energy Marketing & Trading Co.	Other Suppliers	Marji Philips	David Singer		Dennis Keener Alan Elberfield				
Long Island Power Authority	Public Power - Authorities	✓ Jim Parmelee	Seth Hulkower						
New York Power Authority	Public Power - Authorities	✓ Robert Hiney	✓ William Palazzo	✓ Kim Byham					✓ Art Brennan
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						
Scenic Hudson	Public Power - Environmental	✓ Larry DeWitt							
Bath Electric, Gas & Water Systems	Public Power - Munis & Co-ops	Paul Pallas	Matthew Benesh	Jim Hamilton		Jack Brown	Ken Moore	✓ 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	Paul Pallas	✓ 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	Jim Hamilton	Jack Brown		Ken Moore	Matthew Benesh	✓ Tom Rudebusch	
Village of Westfield	Public Power - Munis & Co-ops	Jim Hamilton	Paul Pallas	Matthew Benesh		Ken Moore	Ken Moore	✓ Tom Rudebusch	
Central Hudson Gas & Electric	Transmission Owners	✓ Charles Freni	John Watzka						
Consolidated Edison	Transmission Owners	Joe Oates	Terry Agriss	✓ Neil Butterklee					
National Grid	Transmission Owners	✓ Jerry Ancona	✓ Wes Yeomans	Peter Flynn		Herb Schrayshuen			✓ M Sasson, S Nachmia
NY State Electric Gas (NYSEG)	Transmission Owners	Hank Masti	Denis Wickham	Clifton Olson		✓ Laurie King-Pirchner	✓ Ray Kinney		✓ Paul Gioia
Orange & Rockland, Inc.	Transmission Owners	None Assigned							
Rochester Gas & Electric	Transmission Owners	Clifton Olson	✓ Laurie King-Pirchner						
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:

✓ Ira Freilicher	Hunton & Williams
✓ Kathy Robb	Hunton & Williams
✓ David Patton	Patomic Economics
✓ Rob Fernandez	NYISO
✓ Jim Savitt	NYISO
✓ John Hickey	NYISO
✓ Steve Corey	NYISO
✓ Bill Museler	NYISO
✓ Leigh Bullock	NYISO
✓ John Charlton	NYISO
✓ Jane Lathrop	NYISO
✓ Mollie Lampi	NYISO
✓ David Evanoski	NYISO
✓ David Allen	SEF
✓ Frank Ciani	NYISO
✓ Kathy Whitaker	Patomic Economics

Key:

✓ = In attendance

New York Independent System Operator Management Committee - August 8, 2002

Motion: Motion #5

Result: Motion Failed

Sector with base percent	%	Active	Quorum	Adj. Percent	For	Against	Abstain	% For	% Against		
Generation Owners	21.5	✓	✓	21.50	1.00	2.00	6	7.17	14.33		
Other Suppliers	21.5	✓	✓	21.50	3.00	6.00	6	7.17	14.33		
Transmission Owners	20.0	✓	✓	20.00	0.00	3.00	1	0.00	20.00		
End Use Consumer			✓								
Large Consumer	9.0	✓		9.00	0.00	5.00	0	0.00	10.33		
Large Cons. Gov. Agency	2.0	✓		2.00	0.00	0.00	1	0.00	0.00		
Small Consumer	4.5	✓	✓	4.50	0.00	10.00	0	0.00	5.17		
Gov. State-wide Cons. Advocate	2.7	✓		2.70	0.00	1.00	0	0.00	2.70		
Gov. Sm. Cons. & Retail Aggr.	1.8	✓		1.80	0.00	2.00	0	0.00	1.80		
Public Power			✓								
State Power Authorities	8	✓		8.00	0.00	0.00	2	0.00	0.00		
Munis and Coops	7	✓		7.00	0.00	6.00	0	0.00	15.00		
Environmental	2	✓		2.00	0.00	5.00	0	0.00	2.00		
					5	100.00	4.00	40.00	16	14.33	85.67
					100.00 Normalized to 100% :			14.33	85.67		

New York Independent System Operator

Management Committee - August 8, 2002

Motion Motion #5

Sector	Organization	Representative	Affiliate	Present	For	Against
End Use - Gov. Agency/Aggr.	NYS Energy Research & Develop. Auth.	Jeffrey Gerber		y		1.00
End Use - Gov. Agency/Aggr.	The City of New York	Michael Delaney		y		1.00
End Use - Large Consumer	Alcoa/Reynolds Metals Company	Michael Mager		y		1.00
End Use - Large Consumer	ATCO Management Co.					
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	Xerox Corporation	Michael Mager		y		1.00
End Use - Large Cons. Gov.	Metropolitan Transportation Authority	Jesse Samberg		y		
End Use - Small Consumer	Association for Energy Affordability, Inc.	Larry DeWitt		y		1.00
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
Non-voting	Caithness Energy, L.L.C.		y			
Non-voting	Cianbro Corporation		y			
End Use - Small Consumer	Citizens Advisory Panel	Larry DeWitt		y		1.00
End Use - Small Consumer	CNYC Inc. (Council of NY Coop & Condo)	Tariq Niazi		y		1.00
End Use - Small Consumer	Columbia University	John Dowling		y		1.00
Non-voting	Hudson River Energy Group		y			
End Use - Small Consumer	Mount Sinai Medical Center	John Dowling		y		1.00
Non-voting	New York Energy Buyers Forum	Tariq Niazi	y	y		
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 - Small Consumer	Refined Sugars, Inc.	John Dowling		y		1.00
Non-voting	William P. Short	John Brodbeck	y	y		
End Use - State Agency	NY State Consumer Protection Board	Tariq Niazi		y		1.00
Generation Owners	AES NY	Christopher Wentlent		y		1.00
Generation Owners	American National Power, Inc.					
Generation Owners	Astoria Energy LLC					
Generation Owners	Calpine					
Generation Owners	East Coast Power		y			
Generation Owners	Edison Mission Marketing & Trading	William Roberts		y		
Generation Owners	Entergy Nuclear Northeast	Ron Mackowiak		y		
Generation Owners	Indeck Energy Services	Mark Younger		y		
Generation Owners	KeySpan Ravenswood, Inc	Dick Ackerson		y		
Generation Owners	Mirant New York, Inc.	Doreen Saia		y		
Generation Owners	NRG Energy	Frank Rapley		y		
Generation Owners	Orion Power New York	Bruce Bleiweis	y	y		
Generation Owners	PG&E Generating	Steve McDonald		y		1.00
Generation Owners	PSEG Energy Resources & Trade	Howard Fromer		y	1.00	
Generation Owners	Sithe Energies, Inc.	Garry Brown	y	y		
Generation Owners	TransCanada Power Marketing					
Non-voting	Aaron Breidenbaugh		y			
Non-voting	NYS Department of Public Service		y			
Other Suppliers	1st Rochdale Cooperative NYC					
Other Suppliers	Advantage Energy, Inc.					
Other Suppliers	Amerada Hess Corporation					
Other Suppliers	American Electric Power (AEP) Svc. Corp.					
Other Suppliers	Aquila Energy Marketing Corp.	Peter Brown		y		
Other Suppliers	Cinergy Capital and Trading					
Other Suppliers	Con Edison Energy		y			
Other Suppliers	Con Edison Solutions	Stephen Wemple	y	y		
Other Suppliers	Conectiv					
Other Suppliers	Constellation Power Source	Harvey Reed		y	1.00	
Other Suppliers	Coral Power, LLC	Dave French		y		1.00
Other Suppliers	Dominion Energy Marketing, Inc.	Lou Oberski		y		1.00
Other Suppliers	Duke Energy North America, LLC					
Other Suppliers	Dynegy	Reed Armstrong		y		
Other Suppliers	El Paso Merchant Energy					
Other Suppliers	Energetx, Inc.		y			
Other Suppliers	Exelon Generation - Power Team	Garry Brown		y	1.00	
Other Suppliers	FPL Energy	Bill Fenerty		y		1.00
Other Suppliers	HQ Energy Services	Michel Prevost		y		
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.	Barry Green		y		
Other Suppliers	PP&L Energy Plus	John Brodbeck		y		
Other Suppliers	Reliant Energy Services, Inc.	Bruce Bleiweis		y	1.00	
Other Suppliers	Sempra Energy Trading	Russel Like		y		
Other Suppliers	Strategic Energy LLC	Michael Swider		y		1.00
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	Jim Parmelee		y		
Public Power - Authorities	New York Power Authority	Robert Hiney		y		
Public Power - Environmental	American Wind Energy Association	Larry DeWitt		y		1.00
Public Power - Environmental	Environmental Advocates	Larry DeWitt		y		1.00
Public Power - Environmental	Nat'l Resources Defense Council	Larry DeWitt		y		1.00
Public Power - Environmental	Pace University	Larry DeWitt		y		1.00
Public Power - Environmental	Scenic Hudson	Larry DeWitt		y		1.00
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.	Tom Rudebusch		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	Charles Freni		y		
Transmission Owners	Consolidated Edison	Neil Butterklee		y		1.00
Transmission Owners	National Grid	Jerry Ancona		y		1.00
Transmission Owners	NY State Electric Gas (NYSEG)	Laurie King-Pirchner		y		1.00
Transmission Owners	Orange & Rockland, Inc.		y			
Transmission Owners	Rochester Gas & Electric	Laurie King-Pirchner	y	y		