

NYISO Management Committee Special Meeting

October 1, 2004

Teleconference
10:00 AM – 10:30 AM

MINUTES OF THE MEETING

1. Introductions, Meeting Objectives & Chairman's Report

The meeting objective was to discuss and take action on the Voltage Support Service Program.

2. Report on Voltage Support Service Program

The issue was presented by Mike Calimano of the NYISO. Mr. Calimano reviewed results and recommendations of ongoing reactive studies. The gross MVAR capability has increased to almost 15,000 MVAR. A number of voltage support related issues have been identified and are being reviewed. Near term refinements are planned to ensure that the NYCA has sufficient lagging and leading reactive capability during light, mid, and peak load conditions. The NYISO is proposing net capability as a better indication of the contribution to the system, and the annual review of the rate must consider changes in the accounting method. The proposal to be acted on today would maintain the current rate of \$3919.

Ray Kinney of NYSEG asked for a ballpark estimate of the total dollar increase that MP's might see even though the rate is remaining the same.

Mr. Calimano responded that he did not have a specific number, but he is expecting 1700 MW's of new generation coming online next year (with dates to be determined) and 1000 to 1100 additional MVAR on the system. Mr. Calimano noted that there will be some retirements as well in the next year reducing the total by about 200 MVAR. Mr. Calimano commented that MWhr's including wheel-throughs will continue to grow at a rate of about 2%. Mr. Calimano was unclear if there will be any excess revenues in this year. He commented that the NYISO will try to work on those assumptions going forward and will work to refine them, but baseline numbers should be about the same.

Mr. Kinney suggested there may be a 7-10% increase in supply, and noted that increase in load may offset some of that. Mr. Kinney asked that if we have 60 million dollars total today, then would 7-10% be a reasonable estimate.

Mr. Calimano responded that the generation additions will be staggered so the 1100 MVar addition will be prorated through the year and would be closer to the lower bounds of such an estimate.

Howard Fromer of PSEG questioned the fact that there is no timeline beyond the 1st quarter of '05 and wanted to know what expectation MPs should have on when they might be voting on some of these other issues.

Mr. Calimano said he couldn't give a timeframe of when we expect these additional issues to be back, and stated that once everyone agrees on the requirements then we can move forward on a proposed timeline. Development of a proposal will take some time. Any Criteria changes would also need to be reviewed by the New York State Reliability Council. Some of the work is beginning now and will continue in '05.

Dr. Mayer Sasson asked whether Mr. Calimano would agree that the minutes state that the draft Phase 1 NYISO Load Power Factor Report should remain a draft. Mr. Calimano said that he so agreed."

Motion #1:

The Management Committee (MC) approves the proposed tariff amendments to extend the provisions of Rate Schedule 2 of the Services Tariff for calendar year 2005 as presented to the Special Business Issues Committee meeting on September 16, 2004 and the Special MC meeting on October 1, 2004 and recommends to the Board of Directors that the NYISO should be authorized to submit the applicable tariff modifications to the FERC, pursuant to Section 205 of the Federal Power Act. The MC also directs the appropriate working group to report back to the MC by the end of the first quarter of 2005 on the cost impacts, scope, and testing issues related to the near-term proposals described in the NYISO staff presentation presented at the special meeting of the MC on 10/1/2004.

(Motion passed unanimously with abstentions.)

2. New Business

Carol Murphy of the NYISO reported that the OASIS graphs are scheduled to be deployed early next week. She thanked MP's for the input in developing the new screens. Mrs. Murphy advised the MC members to watch for a notice announcing the deployment sometime next week.

Mr. Kinney stated that a phone call to discuss the results of the SMD2 simulation has been set up for Monday. Mr. Kinney stated that the Market did not know whether the billing information would be available by Monday. The NYISO will look into it and send out an email notifying market participants.

Mr. Oates stated the next MC meeting will be October 14th.

3. Adjourn

Meeting adjourned at approximately 10:30 AM.

NYISO Management Committee Meeting

October 1, 2004

Albany, NY

MOTION FROM THE MEETING

Motion #1:

The Management Committee (MC) approves the proposed tariff amendments to extend the provisions of Rate Schedule 2 of the Services Tariff for calendar year 2005 as presented to the Special Business Issues Committee meeting on September 16, 2004 and the Special MC meeting on October 1, 2004 and recommends to the Board of Directors that the NYISO should be authorized to submit the applicable tariff modifications to the FERC, pursuant to Section 205 of the Federal Power Act.

The MC also directs the appropriate working group to report back to the MC by the end of the first quarter of 2005 on the cost impacts, scope, and testing issues related to the near-term proposals described in the NYISO staff presentation presented at the special meeting of the MC on 10/1/2004.

(Motion passed unanimously with abstentions.)

New York Independent System Operator - Committee Membership

Management Committee - Attendance October 1, 2004 - 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	David Coup Gil Quiniones	Erin Hogan Scott Butler	Chris Hall Jonathan Wallach	John Spath			
Alcoa/Reynolds Metals Company ATCO Management Co.	End Use - Large Consumer End Use - Large Consumer	Robert Loughney Peter DiCapua	Michael Mager Scott Petersen	George Diamantopoulos					
IBM Corporation Occidental Chemical Corp. Praxair Inc.	End Use - Large Consumer End Use - Large Consumer End Use - Large Consumer	Robert Loughney Robert Loughney Robert Loughney	Michael Mager Michael Mager Michael Mager						
Xerox Corporation Metropolitan Transportation Authority Association for Energy Affordability, Inc.	End Use - Large Consumer End Use - Large Cons. Gov. End Use - Small Consumer	Robert Loughney Jesse Samberg David Hepinstall	Michael Mager Gary Caplan Larry DeWitt	Walter McCarroll					
Beth Israel Health Care System Building and Realty Institute CNYC Inc. (Council of NY Coop & Condo)	End Use - Small Consumer End Use - Small Consumer End Use - Small Consumer	Catherine Luthin Herb Rose Herb Rose	✓ John Dowling Judith Mondre MaryAnn Rothman	Jennifer Kearney Ted Lee Judith Mondre	Tariq Niazi Tariq Niazi Ted Lee	Doug Elfner			Tariq Niazi
Columbia University Mount Sinai Medical Center New York Energy Buyers Forum	End Use - Small Consumer End Use - Small Consumer End Use - Small Consumer	Catherine Luthin Catherine Luthin Herb Rose	✓ John Dowling ✓ John Dowling David Bomke	Jennifer Kearney Jennifer Kearney Tariq Niazi	Tariq Niazi Tariq Niazi	Doug Elfner Doug Elfner			Doug Elfner
New York Presbyterian Hospital New York University Refined Sugars, Inc.	End Use - Small Consumer End Use - Small Consumer End Use - Small Consumer	Catherine Luthin Catherine Luthin John Gebhard	✓ John Dowling ✓ John Dowling Quintin George	Jennifer Kearney Jennifer Kearney Catherine Luthin	Tariq Niazi Tariq Niazi	Doug Elfner Doug Elfner			Doug Elfner Jennifer Kearney
NY State Consumer Protection Board AES NY	End Use - State Agency Generation Owners	Tariq Niazi Christopher Wentlent	Doug Elfner Rick Santoroski	Charles Sjoberg					
American National Power, Inc. Astoria Energy LLC Calpine	Generation Owners Generation Owners Generation Owners	Dorothy Capra Greg Banhazi Thomas Kaslow	Bill Henson Leonard Singer Tracee Bersani		Richard Felak Kathy Benini				
East Coast Power Linden Holding LLC Edison Mission Marketing & Trading Energy Nuclear Northeast	Generation Owners Generation Owners Generation Owners	Thomas Hoatson William Roberts Marc Potkin	Robert Licato Robert Agnello Angelo Vai	✓ Jeffrey Ellis Ron Mackowiak Mark Younger	Peter Brown	Rich Mooney	Pam Van Horn		✓ Glenn Haake
Indeck Energy Services KeySpan Ravenswood, LLC Mirant New York, Inc.	Generation Owners Generation Owners Generation Owners	Mike Ferguson Jim Brennan James Mayhew	Rich Hohlman ✓ Doreen Saia Liam Baker	Joe Vignola Vicki Lynch	Jim D'Andrea	Madison Milhous	Rich Rapp		
Orion Power New York Selkirk Cogen Partners, L.P. Sithe Energies, Inc.	Generation Owners Generation Owners Generation Owners	Liam Baker Tim Biittig Linda Clarke	Steve Kampilla David Applebaum Elaine Beaudry		Regina Carrado				
TransCanada Power Marketing 1st Rochdale Cooperative NYC Advantage Energy, Inc.	Generation Owners Other Suppliers Other Suppliers	William Taylor Gregory Wortham Kyle Storie							
Agway Energy Services, Inc. Amerada Hess Corporation Brascan Energy Marketing Inc.	Other Suppliers Other Suppliers Other Suppliers	Russell Miller Hemant Jain ✓ Robert Ricketts	Jim Scheiderich Kevin Laguardia Daniel Whyte	Blas Hernandez	George Braulke				
Cinergy Capital and Trading Con Edison Energy Con Edison Solutions	Other Suppliers Other Suppliers Other Suppliers	Jason Barker Ken Bekman Ken Bekman	Walt Yeager Ivan Kimball Stephen Wemple						
Conectiv Constellation New Energy Inc. Constellation Power Source	Other Suppliers Other Suppliers Other Suppliers	Bill Fehr Peter Duprey Daniel Allegritti	John Foreman Carrie CullenHitt Glen McCartney		Sara O'Neill Susan Chamberlin Mary Lynch	Carrie CullenHitt			
Coral Power, LLC DC Energy Dominion Energy Marketing, Inc.	Other Suppliers Other Suppliers Other Suppliers	Matt Picardi Bruce Bleiweis Wes Walker	Marc Overdyk Dean Wilde Lou Oberski		Dave French Andrew Stevens Michael Bekker				
Duke Energy North America, LLC Dynergy ECONnergy	Other Suppliers Other Suppliers Other Suppliers	Stacy Dimou ✓ Alan Foster Saul Horowitz	Del Disher Jason Cox Tom Halleran	Kevin White	Tom May	Steve Vavrik			
El Paso Merchant Energy Exelon Generation - Power Team Fortistar/Lockport Energy Associates, L.P.	Other Suppliers Other Suppliers Other Suppliers	Jeff Moore Linda Clarke Roger Kelley	Asavari Alvarez David Applebaum Tom Gesicki		Regina Carrado Mark Younger				✓ Glenn Haake
FPL Energy HQ Energy Services KeySpan Energy Services	Other Suppliers Other Suppliers Other Suppliers	Fernando DaSilva Christian Desilets Terrence Kain	Shalesh Ganjoo Michel Prevost Jim D'Andrea		Paul Norris Benoit Goyette James Cross	John Vaughn			Nikolai Markarian
Morgan Stanley Capital Group NRG Power Marketing	Other Suppliers Other Suppliers	Patrick Murray ✓ Tim Foxen	Karen Kochonies Katie Sullivan		Levon Kazarian Doron Ezickson Peter Chamberlain				

New York Independent System Operator - Committee Membership

Management Committee - Attendance October 1, 2004 - Albany, NY - Parties Checked in Attendance

Organization	Sector	Representative	Alternate1	Alternate2	Alternate3	Alternate4	Alternate5	Proxy	Guest
NU / Select Energy	Other Suppliers	Gunnar Jorgensen	Jim Scheiderich						
Ontario Power Generation Inc.	Other Suppliers	✓ Barry Green	Tasos Karatsoreos	Ken Lacivita	Scott McArthur	Glenn Haake			
PP&L Energy Plus	Other Suppliers	Tom Hydzinski	John Brodbeck	✓ Joseph Langan	Sharon Weber				
PSEG Energy Resources & Trade	Other Suppliers	✓ Howard Fromer	Michael LaFalce						
Reliant Energy Services, Inc.	Other Suppliers	Liam Baker	Bill Berg						
Sempra Energy Trading	Other Suppliers	Dan Staines	Maria Agovino	Scott Englander	Robert Fagan				
SESCO Enterprises, LLC	Other Suppliers	Mike Schubiger	Jim Thoresen						
Strategic Energy LLC	Other Suppliers	Francis Pullaro	Michael Swider	Jeffrey Knox	James McCormick	Matt Morais			
Strategic Power Management, Inc.	Other Suppliers	Dan Duthie	✓ Mario DiValentino						
TransEnergie U.S. Ltd.	Other Suppliers	José Rotger	Michael Jacobs						
Williams Energy Marketing & Trading Co.	Other Suppliers	David Singer	Dennis Keener	Robert O'Connell					
Long Island Power Authority	Public Power - Authorities	Jim Parmelee	✓ Kevin Jones	Jim Wittine					
New York Power Authority	Public Power - Authorities	Robert Hiney	✓ William Palazzo	Kim Byham					
American Wind Energy Association	Public Power - Environmental	Valerie Strauss	Larry DeWitt	Douglas Ward	Mike Jacobs				
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	✓ Tim Bush	Jim Hamilton	Matthew Benesh	Ken Moore	Jack Brown			
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	✓ Tim Bush	Paul Pallas					
Village of Fairport	Public Power - Munis & Co-ops	Ken Moore	✓ Tim Bush	Paul Pallas					
Village of Freeport	Public Power - Munis & Co-ops	Hubert Bianco	Anthony Fiore						
Village of Rockville Centre	Public Power - Munis & Co-ops	Paul Pallas	Jim Hamilton	Matthew Benesh	Jim Hamilton	Jack Brown	Ken Moore	✓ Tom Rudebusch	
Village of Westfield	Public Power - Munis & Co-ops	Jim Hamilton	✓ Tim Bush	Paul Pallas	Matthew Benesh	Jack Brown	Ken Moore		
Central Hudson Gas & Electric	Transmission Owners	Charles Freni	✓ John Watzka						
Consolidated Edison	Transmission Owners	✓ Joe Oates	Terry Agriss	✓ Neil Butterklee	Rebecca Craft				✓ M Sasson, E Thompson
National Grid	Transmission Owners	Jerry Ancona	✓ Wes Yeomans	Peter Flynn	Herb Schrayshuen	Bart Franey	Masheed Rosenqvist		
NY State Electric Gas (NYSEG)	Transmission Owners	✓ Ray Kinney	✓ Patti Caletka	Hank Masti	Cliff Olson	Denis Wickham			
Orange & Rockland, Inc.	Transmission Owners	None Assigned							
Rochester Gas & Electric	Transmission Owners	✓ Ray Kinney	✓ Patti Caletka	Hank Masti	Cliff Olson	Denis Wickham			
Boundless Energy, L.L.C	Non-voting	John Tompkins	Brian Chernack	Chuck Gilbert					
Caithness Energy, L.L.C	Non-voting	Ross Ain	Jack Feinstein						
Cianbro Corporation	Non-voting	Chuck Hewett	John Tompkins						
Conjunction LLC	Non-voting	Roger Clayton							
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							
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	Penny Rubin	Rajendra Addepalli						
The Structure Group	Non-voting	Bob Furry	Alex Lago						
Tom Halleran	Non-voting	Tom Halleran							
William P. Short	Non-voting	William Short	Marc Schaefer	Joe DeVito	John Brodbeck	Ron Matlock	Paul Savage	Roberto Denis	
zNew Member	Non-voting	None Assigned							

NYISO and Hunton & Williams Members in Attendance:

Ira Freilicher	Hunton & Williams
Kathy Robb	Hunton & Williams
James Schmidt	Hunton & Williams
✓ Rob Fernandez	NYISO
✓ Bill Museler	NYISO
✓ Belinda Thornton	NYISO
✓ Liz Grisaru	NYISO
✓ Brad Kranz	NYISO
✓ Bob Waldele	NYISO
✓ Elaine Robinson	NYISO
✓ Mike Jaeger	NYISO
✓ Leigh Bullock	NYISO

New York Independent System Operator - Committee Membership

Management Committee - Attendance October 1, 2004 - Albany, NY - Parties Checked in Attendance

Organization	Sector	Representative	Alternate1	Alternate2	Alternate3	Alternate4	Alternate5	Proxy	Guest
✓ Ray Stalter	NYISO								
✓ Debbie Eckels	NYISO								
✓ Mike Calimano	NYISO								
Dave Evanoski	NYISO								
Phil Gootee	NYISO								
John Cutting	NYISO								
Jane Lathrop	NYISO								
✓ Ernie Cardone	NYISO								
John Charlton	NYISO								
Kathy Whitaker	NYISO								
Andrew Hartshorn	NYISO/LECG								

Key:

✓ = In attendance