

NYISO Management Committee Meeting

July 13, 2005

Conference Call

10:00 a.m. – 12 p.m.

MINUTES OF THE MEETING

1. Introductions, Meeting Objectives & Chairman's Report

Larry Dewitt of Pace Energy, Chairman, called the meeting to order at 10:03 AM and welcomed the members of the Management Committee ("MC"). The meeting objectives are to:

- Act on June 21, 2005 minutes
- Act on EDRP Sunset Removal
- Act on DADRP Sunset Removal.

Mr. Dewitt stated that the deadline to submit comments on the market evolution plan has been extended. Market Participants should send their comments to Dave Lawrence at the NYISO. Comments will be reviewed at the August 2nd MSWG meeting. Mr. Dewitt also noted that the annual solicitation for Vice-Chairs, for the Operating Committee ("OC"), Business Issues Committee ("BIC") and the MC would be conducted in July.

2. Approval of the Minutes

Motion to approve was moved by Doreen Saia and seconded by William Palazzo

Motion #1:

Motion to approve the Minutes from the June 21, 2005 MC meeting.

(Motion passed unanimously)

3. President's Report

Mark Lynch, President and CEO of the NYISO, reviewed the President's Report with the MC. Mr. Lynch reiterated the importance of MP's participation in the UCAP automation testing to ensure a complete testing prior to deployment.

He noted that Elaine Robinson will be assembling a special task force on the pricing and billing process to develop necessary tariff revisions or an action plan that the NYISO may want to put in place. The initial meeting is scheduled for July 20th.

Mr. Lynch stated that the TCC Settlement Audit is in progress. The consultants have already started reviewing the accuracy of the formulas. Ernst & Young will do the final verification of the numbers. Mr. Lynch also urged the TCC holders to contact Ernst & Young in an effort to expedite the verification process.

Mike Mager of Multiple Intervenors asked for an update of the sales tax issue. Mr. Mager also requested confirmation on whether the plan is to postpone addressing the GRT issue until after the Sales Tax issues have been resolved.

Rob Fernandez, NYISO General Counsel responded that the language in the last draft that many Market Participants had concerns with is being dropped. The tariff language is being finalized for distribution and review with the registration requirement removed. Mr. Fernandez also noted that the plan is to have a special MC meeting in early August to address the tariff issue with the intent to address the GRT Appeals and the Sales Tax Amendment before the Board at their meeting later in August.

4. Billing Issues

Charles Garber of the NYISO presented the billing issues update to the MC. Mr. Garber noted that the February 2005 4-month true up included:

- The corrections made to the February SMD2 prices
- Sub-zonal load profiling and
- The day ahead margin assurance payments (“DAMAP”)

Approximately 59 Million dollars (including interest) were re-allocated from Loads to Generators as a result of the May 8th and 9th, 2000 ELR/ECA, and FERC-ordered settlement. Mr. Garber also noted that, based upon input from MPs and the strong endorsement by BAWG, the entire month of May was invoiced in lieu of May 8th and 9th only.

Neil Butterklee of Con Edison questioned the BAWG’s authority to effectively get the NYISO to change its billing process. Mr. Garber responded that there were no changes to the NYISO’s billing process; rather, inputs were received from MPs regarding the preferred method of implementing a FERC order, with the vast majority requesting that the May 2000 closeout not be intermingled as a manual adjustment on the July 2005 invoice, primarily for auditing purposes, transparency and the ability to utilize existing reconciliation and verification processes typically applied to regular monthly invoices.

Mr. Butterklee asked how are MPs to replicate the changes in the LECG Refund Report if the necessary analysis and calculations are not contained in the report. Mr. Garber agreed to investigate this question.

Doreen Saia of Mirant requested that the NYISO issue a notice to the Tie List specifying directly that the May 2000 re-bill is not a final bill close-out and specifying who to contact if parties have questions about the settlements associated with the May re-bill, inclusive of settlements associated with May 8th and May 9th. Mr. Garber agreed to do so.

5. Project Status Update

Rich Dewey of the NYISO presented the Project Status Update to the MC. Mr. Dewey stated that there has been an increase in the number of price reservation and price corrections since the SMD2 software was deployed. Many software defects that have led to price corrections have been identified and corrected.

Howard Fromer of PSEG expressed concerns about the software corrections that the NYISO is making and asked if there is documentation available that describes the software changes that NYISO is making and the reason for the changes. Mr. Dewey responded that the NYISO could accommodate Mr. Fromer's request and will make that information available.

Mr. Dewey continued to encourage MPs to provide feedback on the recent web enhancements and to provide suggestions to improve features. He also noted that the June software releases were delayed until July due to system conditions.

6. EDRP Sunset Removal

Aaron Breidenbaugh of the NYISO presented a proposal calling for the removal of the EDRP sunset to the MC. The motion was previously presented at the Business Issues Committee ("BIC") and was approved. Mr. Breidenbaugh noted one additional point not included in his presentation that under the scarcity pricing rules, the EDRP and SCR resources could set price.

Motion #2:

Motion to approve was moved by Mike Mager and seconded by John Dowling

The NYISO Management Committee (MC) approves the proposed revision to the NYISO Market Services Tariff, as presented to the MC at the July 13th meeting, and approved in concept by the Business Issues Committee on June 29th, to remove the sunset date for the Emergency Demand Response Program, and requests that the Board authorize a filing to the FERC pursuant to Section 205 of the Federal Power Act
(Motion passed unanimously with abstentions)

7. DADRP Sunset Removal

Aaron Breidenbaugh of the NYISO presented the removal of the DADRP sunset to the MC. The motion was presented and approved at the Business Issues Committee. Mr. Breidenbaugh noted that there are presently 18 participants in the DADRP program with a participating load of 475 MW, however; only four organizations have participated in the past year and only two since the beginning of 2005.

Motion #3:

Motion to approve was moved by Mike Mager and seconded by John Dowling

The NYISO Management Committee (MC) approves the proposed revisions to the NYISO Market Services Tariff, as presented to the MC at the July 13th meeting, and approved in concept by the Business Issues Committee on June 29th, to remove the

sunset date for the Day-Ahead Demand Response Program, and requests that the Board authorize a filing to the FERC pursuant to Section 205 of the Federal Power Act.
(Motion passed unanimously with abstentions)

8. New Business

Mr. Fromer requested an update on the Board approval and the filing of the tariff provisions to eliminate the start-up and shut down penalties. Rob Fernandez responded that the Board will review the proposal on July 18th and 19th.

9. Adjourn

Meeting was adjourned at 11: 25

Management Committee Meeting

July 13, 2005
Teleconference Meeting

SUMMARY OF MOTIONS

Motion #1:

Motion to approve the minutes of the June 21, 2005 meeting.

(Motion passed unanimously)

Motion #2:

The NYISO Management Committee (MC) approves the proposed revision to the NYISO Market Services Tariff, as presented to the MC at the July 13th meeting, and approved in concept by the Business Issues Committee on June 29th, to remove the sunset date for the Emergency Demand Response Program, and requests that the Board authorize a filing to the FERC pursuant to Section 205 of the Federal Power Act

(Motion passed unanimously with abstentions)

Motion #3:

The NYISO Management Committee (MC) approves the proposed revisions to the NYISO Market Services Tariff, as presented to the MC at the July 13th meeting, and approved in concept by the Business Issues Committee on June 29th, to remove the sunset date for the Day-Ahead Demand Response Program, and requests that the Board authorize a filing to the FERC pursuant to Section 205 of the Federal Power Act.

(Motion passed unanimously with abstentions)

New York Independent System Operator - Committee Membership

Management Committee - Attendance July 13, 2005 - 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 Thomas Simpson	✓ Chris Hall Jonathan Wallach	John Spath Tim Daniels			
Alcoa/Reynolds Metals Company Helmsley-Spear Inc.	End Use - Large Consumer End Use - Large Consumer	Robert Loughney David Bomke	✓ Michael Mager George Diamantopoulos	Morgan Parke Edward Strauss	Herb Rose				
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	Morgan Parke Morgan Parke Morgan Parke					
Xerox Corporation Metropolitan Transportation Authority American Sugar Refining, Inc.	End Use - Large Consumer End Use - Large Cons. Gov. End Use - Small Consumer	Robert Loughney Jesse Samberg John Gebhard	✓ Michael Mager Gary Caplan Quintin George	Morgan Parke Walter McCarroll Catherine Luthin	John Dowling	Jennifer Kearney			
Association for Energy Affordability, Inc. Beth Israel Health Care System Building and Realty Institute	End Use - Small Consumer End Use - Small Consumer End Use - Small Consumer	David Hepinstall Catherine Luthin Herb Rose	✓ Larry DeWitt ✓ John Dowling Judith Mondre	Jennifer Kearney Ted Lee	Tariq Niazi Tariq Niazi	Doug Elfner		✓ John Walters ✓ John Walters	
Columbia University Mount Sinai Medical Center New York Presbyterian Hospital	End Use - Small Consumer End Use - Small Consumer End Use - Small Consumer	Catherine Luthin Catherine Luthin Catherine Luthin	✓ John Dowling ✓ John Dowling ✓ John Dowling	Jennifer Kearney Jennifer Kearney Jennifer Kearney	Tariq Niazi Tariq Niazi Tariq Niazi	Doug Elfner Doug Elfner Doug Elfner		✓ John Walters ✓ John Walters ✓ John Walters	
New York University NY State Consumer Protection Board AES NY	End Use - Small Consumer End Use - State Agency Generation Owners	Catherine Luthin ✓ Tariq Niazi ✓ Christopher Wentlent	✓ John Dowling Doug Elfner Rick Santorski	Jennifer Kearney Jennifer Kearney Charles Sjoberg	Tariq Niazi	Doug Elfner		✓ John Walters ✓ John Walters	
American National Power, Inc. Astoria Energy LLC Calpine	Generation Owners Generation Owners Generation Owners	Dorothy Capra Joseph Swift 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 Jeffrey Ellis Angelo Vai	✓ Mark Younger Joe Vignola Vicki Lynch	Rich Mooney				
Indeck Energy Services KeySpan Ravenswood, LLC Mirant New York, Inc.	Generation Owners Generation Owners Generation Owners	Mike Ferguson Jim Brennan James Mayhew	John Schrage Rich Hohliman ✓ Doreen Saia	✓ Mark Younger 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 Scott Silverstein	Bill Berg Steve Kamppila Joe Klimaszewski	✓ Mark Younger Joe Vignola Vicki Lynch					
TransCanada Power Marketing Advantage Energy, Inc. Amerada Hess Corporation	Generation Owners Other Suppliers Other Suppliers	William Taylor Kyle Storie Hemant Jain	Elaine Beaudry Kevin Laguardia	✓ Mark Younger Joe Vignola Vicki Lynch	Jim Verna			✓ Mike Mager	
Brascan Energy Marketing Inc. Cinergy Capital and Trading Con Edison Energy Con Edison Solutions	Other Suppliers Other Suppliers Other Suppliers Other Suppliers	✓ Robert Ricketts Jason Barker Ken Bekman Ken Bekman	Daniel Whyte Walt Yeager Ivan Kimball Stephen Wemple	✓ Mark Younger Joe Vignola Vicki Lynch	George Braulke				
Conectiv Constellation New Energy Inc. Constellation Power Source Coral Power, LLC	Other Suppliers Other Suppliers Other Suppliers Other Suppliers	Bill Fehr Peter Duprey Daniel Allegretti ✓ Matt Picardi	John Foreman Carrie CullenHitt ✓ Glen McCartney Marc Overdyk	✓ Mark Younger Joe Vignola Vicki Lynch	Susan Chamberlin Carrie CullenHitt				
DC Energy Dominion Energy Marketing, Inc. Duke Energy North America, LLC Dynergy ECONergy	Other Suppliers Other Suppliers Other Suppliers Other Suppliers Other Suppliers	✓ Bruce Bleiweis Wes Walker Stacy Dimou Barry Huddleston Saul Horowitz	Dean Wilde Lou Oberski Del Disher Jason Cox Tom Halleran	✓ Mark Younger Joe Vignola Vicki Lynch	Andrew Stevens Michael Bekker Kevin White				
Epic Merchant Energy Exelon Generation - Power Team Fortistar/Lockport Energy Associates, L.P. FPL Energy Galt Power	Other Suppliers Other Suppliers Other Suppliers Other Suppliers Other Suppliers	Mike Kinsey Scott Silverstein Roger Kelley ✓ David Applebaum Rick Mancini	Erik Abend Joe Klimaszewski Tom Gesicki ✓ Mark Younger Fernando DaSilva Stephen Fernands	✓ Mark Younger Joe Vignola Vicki Lynch	Wade Sullivan Jim Verna ✓ Glenn Haake Ron Scheirer			✓ Mike Mager	
HQ Energy Services KeySpan Energy Services Morgan Stanley Capital Group NRG Power Marketing NU / Select Energy Ontario Power Generation Inc. PPM Energy	Other Suppliers Other Suppliers Other Suppliers Other Suppliers Other Suppliers Other Suppliers Other Suppliers	Michel Prevost Terrence Kain Patrick Murray ✓ Tim Foxen Gunnar Jorgensen Barry Green Donald Winslow	Paul Norris Jim D'Andrea Karen Kochonies Katie Sullivan ✓ Jim Scheiderich ✓ Dave Barr Murray O'Neil	✓ Mark Younger Joe Vignola Vicki Lynch	Benoit Goyette Edwin Kichline James Cross Doron Ezickson John Vaughn Nikolai Markarian	John Vaughn Nikolai Markarian	✓ Glenn Haake		
				Ken Lacivita	Scott McArthur	✓ David Barr	✓ Glenn Haake		

New York Independent System Operator - Committee Membership

Management Committee - Attendance July 13, 2005 - Albany, NY - Parties Checked in Attendance

Organization	Sector	Representative	Alternate1	Alternate2	Alternate3	Alternate4	Alternate5	Proxy	Guest
PP&L Energy Plus	Other Suppliers	Tom Hyzinski	John Brodbeck	✓ Joseph Langan	Sharon Weber				
PSEG Energy Resources & Trade	Other Suppliers	✓ Howard Fromer	Michael LaFalce						
Reliant Energy Services, Inc.	Other Suppliers	✓ Liam Baker	Mark Sudbey	John Orr					
Sempra Energy Trading	Other Suppliers	Dan Staines	Maria Agovino	Scott Englander	Barry Trayers				
SESCO Enterprises, LLC	Other Suppliers	Mike Schubiger	Jim Thoresen						
Strategic Energy LLC	Other Suppliers	Francis Pullaro	Michael Swider	Jeffrey Knox	Brian Vayda				
Strategic Power Management, Inc.	Other Suppliers	Mario DiValentino	Thomas Folchi						
TransEnergie U.S. Ltd.	Other Suppliers	José Rotger	Michael Jacobs						
Williams Power Company	Other Suppliers	David Singer	Mark Lassman	Robert O'Connell					
Long Island Power Authority	Public Power - Authorities	✓ Kevin Jones	Jim Wittine	Dave Clarke					
New York Power Authority	Public Power - Authorities	Robert Hiney	✓ William Palazzo	Kim Byham					✓ B. Balsome
American Wind Energy Association	Public Power - Environmental	Valerie Strauss	✓ Larry DeWitt	Douglas Ward	Mike Jacobs				
Environmental Advocates	Public Power - Environmental	Anne Reynolds	✓ Larry DeWitt						
Natl 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	✓ David Gustafson	Wally Haase	✓ Tom Rudebusch					
Lake Placid Village	Public Power - Munis & Co-ops	Peter Kroha	✓ Tim Bush						
Municipal Commission of Boonville	Public Power - Munis & Co-ops	Kenneth Stabb	✓ Tim Bush						
Plattsburgh Municipal Lighting Dept.	Public Power - Munis & Co-ops	Jack Brown	✓ Tim Bush						
Village of Arcade	Public Power - Munis & Co-ops	Larry Kilburn	✓ Tim Bush						
Village of Fairport	Public Power - Munis & Co-ops	Ken Moore	✓ Tim Bush	Paul Pallas					
Village of Freeport	Public Power - Munis & Co-ops	Hubert Bianco	Anthony Fiore	✓ Tom Rudebusch					
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 Solway	Public Power - Munis & Co-ops	Anthony Modafferi	✓ Tim Bush						
Village of Westfield	Public Power - Munis & Co-ops	Jim Hamilton	✓ Tim Bush	Matthew Benesh	Jack Brown	Ken Moore			
Central Hudson Gas & Electric	Transmission Owners	Charles Freni	✓ John Watzka						
Consolidated Edison	Transmission Owners	Terry Agriss	Stuart Nachmias	✓ Neil Butterklee					✓ P. Gioia, M Sasson
National Grid	Transmission Owners	✓ Jerry Ancona	Wes Yeomans	Janet Gail Besser	Herb Schrayshuen	Bart Franey	Terron Hill		
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	Non-voting	Chuck Hewitt	John Tompkins						
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							
Fluent Energy	Non-voting	Michael Mastroianni	David Koplas	Margie Miller					
Hudson River Energy Group	Non-voting	Frank Radigan	Richard Canfield						
Hydro-Quebec TransEnergie	Non-voting	Glenn Sylvain	Mario Boucher						
NYS Department of Public Service	Non-voting	Penny Rubin	✓ Rajendra Addepalli						✓ B. Heinrich, R Adapell
Stealth Energy	Non-voting	Gad Cohen							
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								
zNew Member	Non-voting								
zNew Member	Non-voting								
zNew Member	Non-voting								
zNew Member	Non-voting								
zNew Member	Non-voting								
zNew Member	Non-voting								
zNew Member	Non-voting								
zNew Member	Non-voting	None Assigned							

NYISO and Hunton & Williams Members in Attendance:

✓ Ira Freilicher Hunton & Williams
 Kevin Jones Hunton & Williams

New York Independent System Operator - Committee Membership

Management Committee - Attendance July 13, 2005 - Albany, NY - Parties Checked in Attendance

Organization	Sector	Representative	Alternate1	Alternate2	Alternate3	Alternate4	Alternate5	Proxy	Guest
James Schmidt	Hunton & Williams								
✓ Rob Fernandez	NYISO								
✓ Mark Lynch	NYISO								
✓ Garry Brown	NYISO								
✓ Mollie Lampi	NYISO								
✓ Brad Kranz	NYISO								
✓ Charles Garber	NYISO								
✓ Elaine Robinson	NYISO								
✓ Jacqueline Ponds	NYISO								
✓ Leigh Bullock	NYISO								
✓ Ray Stalter	NYISO								
✓ Aaron Breidenbaugh	NYISO								
✓ Rich Dewey	NYISO								
✓ Dave Lawrence	NYISO								
✓ Frank Francis	NYISO								
John Cutting	NYISO								
Jane Lathrop	NYISO								
✓ Ernie Cardone	NYISO								
John Charlton	NYISO								
Kathy Whitaker	NYISO								
Andrew Hartshorn	NYISO/LECG								
Belinda Thornton	NYISO								

Key:

✓ = In attendance