

NYISO Business Issues Committee

December 15, 2004

The Desmond Hotel

MOTIONS FROM THE MEETING

Motion #1:

Motion to approve the Minutes from the November 17, 2004 BIC meeting.
(Motion passed unanimously by show of hands)

Motion #2:

**Motion in Support of Request for Waiver
of Tariff Provisions Regarding Allocation of Certain Charges**

Whereas, the NYISO is preparing to issue Final Closeout Settlements for eligible periods under the provisions of the OATT and Services Tariff; and

Whereas, the NYISO must use Accounting & Billing Benchmark System (ABBS) software to calculate certain portions of the Final Closeout Settlements in a timely manner; and

Whereas, the NYISO has confirmed that the data inserted into, and the calculations produced by, the ABBS software are accurate for the two issues identified below; and

Whereas, the NYISO's consolidated invoice software can calculate the allocation of certain charges only according to monthly load ratio shares; and

Whereas, the OATT and Services Tariff establish that charges associated with Bid Production Cost Guarantee payments and Synchronous Lost Opportunity Costs are to be allocated according to daily and/or hourly load ratio shares; and

Whereas, the NYISO has determined that the allocation of these charges is not materially different regardless of whether monthly, daily, or hourly load ratio shares are used;

Now, Wherefore, it is moved that the Business Issues Committee supports NYISO's request to the Federal Energy Regulatory Commission for a waiver of tariff provisions that would require the allocation of Bid Production Cost Guarantee payments and Synchronous Lost Opportunity Costs to be made according to daily and/or hourly load ratio shares and to allow the NYISO to instead calculate the allocation of these charges using the consolidated invoice software, and monthly load ratio shares.

(Motion passed unanimously by show of hands with abstentions)

Motion #3:

The Business Issue Committee hereby requests the NYISO staff to prepare the draft tariff amendments to the NYISO's credit policy for Virtual Transactions necessary to reflect the proposed changes to the credit policy described below for presentation and approval at the next scheduled Management Committee Meeting:

1. Acceptable Collateral for Virtual Transactions should include the netting of a Market Participant's accounts receivables from the NYISO as is currently permitted for other transactions in the NYISO's electricity markets; and,
2. The amount of collateral required for Virtual Transactions shall be reduced from "seven times the highest differential between the Day-Ahead and Real-Time Energy market prices in the NYCA at the 97th percentile over the previous ninety days" to "four times the highest differential between the Day-Ahead and Real-Time Energy market prices in the NYCA at the 97th percentile over the previous ninety days."

All other provisions of the NYISO's credit policy for Virtual Transactions shall remain unchanged.

The NYISO will monitor and verify that the collateral requirements applied to virtual transactions is sufficient and will provide periodic updates to participants.

(Motion passed unanimously by show of hands with abstentions)

Motion #4:

The Business Issues Committee (BIC) approves the proposed implementation of a "generic" Scheduled Line scheduling solution, and a Cross-Sound Scheduled Line specific scheduling solution, as more fully discussed in the December 15, 2004 presentation to the BIC, and recommends to the Management Committee that the NYISO should be authorized to submit implementing Tariff modifications to the FERC.

(Motion passed unanimously by show of hands with abstentions)

New York Independent System Operator - Committee Membership

Business Issues Committee - Attendance December 15, 2004 - 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.	David Coup	Paul DeCotis	✓ Chris Hall	Erin Hogan	John Spath			
The City of New York	End Use - Gov. Agency/Aggr.	Michael Delaney	Gil Quiniones	Thomas Simpson	Jonathan Wallach	Tim Daniels			
Alcoa/Reynolds Metals Company	End Use - Large Consumer	Robert Loughney	✓ Michael Mager	Morgan Parke					
ATCO Management Co.	End Use - Large Consumer	Peter DiCapua	Scott Petersen	George Diamantopoulos					
IBM Corporation	End Use - Large Consumer	Robert Loughney	✓ Michael Mager	Morgan Parke					
Occidental Chemical Corp.	End Use - Large Consumer	Robert Loughney	✓ Michael Mager	Morgan Parke					
Praxair Inc.	End Use - Large Consumer	Robert Loughney	✓ Michael Mager	Morgan Parke					
Xerox Corporation	End Use - Large Consumer	Robert Loughney	✓ Michael Mager	Morgan Parke					
Metropolitan Transportation Authority	End Use - Large Cons. Gov.	Jesse Samberg	Gary Caplan	Walter McCarroll					
Association for Energy Affordability, Inc.	End Use - Small Consumer	David Hepinstall	✓ Larry DeWitt						
Beth Israel Health Care System	End Use - Small Consumer	Catherine Luthin	✓ John Dowling	Jennifer Kearney	✓ Tariq Niazi	Doug Elfner			
Building and Realty Institute	End Use - Small Consumer	Herb Rose	Judith Mondre	Ted Lee	✓ Tariq Niazi				
CNYC Inc. (Council of NY Coop & Condo)	End Use - Small Consumer	Herb Rose	MaryAnn Rothman	Judith Mondre	Ted Lee	✓ Tariq Niazi			
Columbia University	End Use - Small Consumer	Catherine Luthin	✓ John Dowling	Jennifer Kearney	✓ Tariq Niazi	Doug Elfner			
Mount Sinai Medical Center	End Use - Small Consumer	Catherine Luthin	✓ John Dowling	Jennifer Kearney	✓ Tariq Niazi	Doug Elfner			
New York Energy Buyers Forum	End Use - Small Consumer	Herb Rose	David Bomke	✓ Tariq Niazi					
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			
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	Greg Banhazl	Leonard Singer						
Calpine	Generation Owners	None Assigned	Thomas Kaslow	Richard Felak					✓ Paul Sims
East Coast Power Linden Holding LLC	Generation Owners	✓ Roy Shanker	Thomas Hoatson	Robert Licato	Kathy Benini				
Edison Mission Marketing & Trading	Generation Owners	✓ William Roberts	Robert Agnello	✓ Jeffrey Ellis	Peter Brown	✓ Rich Mooney			
Entergy Nuclear Northeast	Generation Owners	Marc Potkin	Angelo Vai	✓ Ron Mackowiak					
Indeck Energy Services	Generation Owners	Mike Ferguson	John Schrage	✓ Mark Younger					
KeySpan Ravenswood, LLC	Generation Owners	Rich Hohlman	Joe Vignola	Jim Brennan	✓ Jim D'Andrea	Madison Milhous	Edwin Kichline		✓ Kim Hahn
Mirant New York, Inc.	Generation Owners	Vicki Lynch	James Mayhew	✓ Doreen Saia					
Orion Power New York	Generation Owners	✓ Liam Baker	Bill Berg						
Selkirk Cogen Partners, L.P.	Generation Owners	Tim Biittig	Steve Kamppila						
Sithe Energies, Inc.	Generation Owners	✓ Scott Silverstein	Joe Klimaszewski	Jim Verna					
TransCanada Power Marketing	Generation Owners	William Taylor	Elaine Beaudry						
1st Rochdale Cooperative NYC	Other Suppliers	Gregory Wortham	Ruben Brown	Arthur Pearson					
Advantage Energy, Inc.	Other Suppliers	Kyle Storie							✓ Kim Carlson
Agway Energy Services, Inc.	Other Suppliers	Russell Miller	✓ Jim Scheiderich						
Amerada Hess Corporation	Other Suppliers	Kevin LaGuardia	Blas Hernandez	George Braulke					
Brascan Energy Marketing Inc.	Other Suppliers	✓ Robert Ricketts	Daniel Whyte						
Cinergy Capital and Trading	Other Suppliers	Jason Barker	Walt Yeager						
Con Edison Energy	Other Suppliers	Stephen Wemple	Ivan Kimball						
Con Edison Solutions	Other Suppliers	Stephen Wemple	Rich Staines						
Conectiv	Other Suppliers	Bill Fehr	John Foreman						
Constellation New Energy Inc.	Other Suppliers	Peter Duprey	Carrie CullenHitt	Sara O'Neill	Susan Chamberlin				
Constellation Power Source	Other Suppliers	✓ Glen McCartney	Mary Lynch	Daniel Allegretti					
Coral Power, LLC	Other Suppliers	Matt Picardi	Dave French						
DC Energy	Other Suppliers	✓ Bruce Bleiweis	Andrew Stevens	Matthew Tate					✓ K Anderson
Dominion Energy Marketing, Inc.	Other Suppliers	Wes Walker	Lou Oberski	Michael Bekker					
Duke Energy North America, LLC	Other Suppliers	Stacy Dimou	Del Disher						
Dynegy	Other Suppliers	✓ Alan Foster	Jason Cox	Kevin White					
ECONergy	Other Suppliers	Saul Horowitz	Tom Halleran						
El Paso Merchant Energy	Other Suppliers	Jeff Moore	Asavari Alvarez						
Exelon Generation - Power Team	Other Suppliers	✓ Scott Silverstein	Joe Klimaszewski	Jim Verna					
Fortistar/Lockport Energy Associates, L.P.	Other Suppliers	Roger Kelley	Tom Gesicki	✓ Mark Younger	✓ Glenn Haake				
FPL Energy	Other Suppliers	✓ David Applebaum	Fernando DaSilva	Ron Scheirer					
HQ Energy Services	Other Suppliers	✓ Michel Prevost	✓ Paul Norris	Benoit Goyette					
KeySpan Energy Services	Other Suppliers	Terrence Kain	✓ Jim D'Andrea	Edwin Kichline	James Cross	John Vaughn			
Morgan Stanley Capital Group	Other Suppliers	Patrick Murray	Karen Kochonies	Levon Kazarian	Doron Ezickson				
NRG Power Marketing	Other Suppliers	✓ Tim Foxen	Katie Sullivan	Peter Chamberlain					

New York Independent System Operator - Committee Membership

Business Issues Committee - Attendance December 15, 2004 - Albany, NY - Parties Checked in Attendance

Organization	Sector	Representative	Alternate1	Alternate2	Alternate3	Alternate4	Alternate5	Proxy	Guest
NU / Select Energy	Other Suppliers	✓ Jim Scheiderich	Gunnar Jorgensen						
Ontario Power Generation Inc.	Other Suppliers	Tasos Karatsoreos	Jim Mastorakos	Ken Lacivita	Erica Cheung	Scott McArthur	✓ Glenn Haake		
PP&L Energy Plus	Other Suppliers	✓ Joseph Langan	Tom Hyzinski	Roland Moor	David Yannarell	Sharon Weber			
PSEG Energy Resources & Trade	Other Suppliers	✓ Howard Fromer	Michael LaFalce	Bob Logan	Dennis Sobieski				
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	Brian Vayda				
Strategic Power Management, Inc.	Other Suppliers	Mario DiValentino	Tom Folchi	Dan Duthie					
TransEnergie U.S. Ltd.	Other Suppliers	Michael Jacobs	✓ José Rotger						
Williams Power Company	Other Suppliers	David Singer	Mark Lassman	Robert O'Connell					
Long Island Power Authority	Public Power - Authorities	James Parmelee	✓ Kevin Jones	Dave Clarke	Jim Wittine				
New York Power Authority	Public Power - Authorities	Bob Deasy	✓ Bob Gow	Paul Rougeaux	✓ Kevin Kipers				✓ Bill Palazzo
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	Ken Moore	✓ Tim Bush	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	Ken Moore					
Village of Fairport	Public Power - Munis & Co-ops	Ken Moore	✓ Tim Bush	Paul Pallas					
Village of Freeport	Public Power - Munis & Co-ops	✓ Anthony Fiore	Ted Kimlingen						
Village of Rockville Centre	Public Power - Munis & Co-ops	Tom Cardle	Ken Moore	Matthew Benesh	Jim Hamilton	Paul Pallas	Jack Brown	✓ Tom Rudebusch	
Village of Westfield	Public Power - Munis & Co-ops	Jim Hamilton	✓ Tim Bush	Ken Moore	Matthew Benesh	Jack Brown	Paul Pallas		
Central Hudson Gas & Electric	Transmission Owners	James Valteau	✓ Thomas Canino	Jeff May	Rick Greener				
Consolidated Edison	Transmission Owners	Rebecca Craft	Gerry Dunbar	Neil Butterklee				✓ Deidre Facendola	
National Grid	Transmission Owners	✓ Bart Franey	✓ Wesley Yeomans	✓ Jerry Ancona	Janet Gail Besser	✓ Terron Hill			
NY State Electric Gas (NYSEG)	Transmission Owners	✓ Ray Kinney	✓ Patti Caletka	Steve Jeremko	Hank Masti				
Orange & Rockland, Inc.	Transmission Owners	None Assigned							
Rochester Gas & Electric	Transmission Owners	✓ Ray Kinney	✓ Patti Caletka	Steve Jeremko	Hank Masti				
Boundless Energy, L.L.C	Non-voting	Brian Chernack	Chuck Gilbert	Mark Mainetti					
Caitness Energy, L.L.C	Non-voting	Ross Ain	Jack Feinstein						
Cianbro Corporation	Non-voting	Ed Krapels	Brian Chernack	Paul Flemming					
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	Gerald Strassner						
Hudson River Energy Group	Non-voting	Frank Radigan	Richard Canfield						
Hydro-Quebec TransEnergie	Non-voting	Glenn Sylvain	Mario Boucher						
NYS Department of Public Service	Non-voting	✓ Bill Heinrich	David Drexler						
The Structure Group	Non-voting	Bob Furry							
Tom Halleran	Non-voting	Tom Halleran							
Stealth Energy	Non-voting	Gad Cohen							
Fluent Energy	Non-voting	✓ Michael Mastroianni	✓ David Koplak	✓ Margie Miller					
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
✓ Ken Davis	Hunton & Williams
✓ Caleb Dervan	NYISO
✓ Gerald Deaver	NYISO
✓ Belinda Thornton	NYISO
✓ Brian Hurysz	NYISO
✓ Alex Schnell	NYISO
✓ Andy Antinori	NYISO
✓ Kristie Carey	NYISO

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✓ Leigh Bullock	NYISO								
✓ Ray Stalter	NYISO								
✓ Debbie Eckels	NYISO								
✓ Chuck King	NYISO								
✓ Brad Kranz	NYISO								
✓ Randy Bowers	NYISO								
✓ Sue Goepf	NYISO								
Phil Gootee	NYISO								
✓ John Cutting	NYISO								
✓ Jim Savitt	NYISO								
✓ John Buechler	NYISO								
John Charlton	NYISO								
✓ Kathy Whitaker	NYISO								
Andy Hartshorn	NYISO/LECG								

Key:

✓ = In attendance