

NYISO Management Committee Meeting

December 17, 2003

Teleconference

MINUTES OF THE MEETING

1. Introduction and Meeting Objectives

Joseph Oates, Chairman, called the meeting to order at 10:10 AM and welcomed the members of the Management Committee ("MC").

A quorum was confirmed by roll call.

Mr. Oates reported that Paul Gioia, of LeBoeuf Lamb Greene & MacRae, had agreed to serve again as chair of the Stay Review Subcommittee

Mr. Oates next discussed the Project Priority Team ("PPT") meeting that was held on December 5th. The material that was reviewed at this meeting has been posted on the website including the proposed criteria that will be used for ranking 2004 projects. Mr. Oates requested feedback from Market Participants on those criteria. Dates and materials for all future PPT meetings will be posted in advance of the meeting, so as to provide time for members to review and comment on that material.

Mr. Oates also reported on the Budget, Standards and Performance ("BS&P") Subcommittee meeting held on December 11th. The BS&P will be the initial forum for reports by R. J. Rudden on the study of the methodology for allocating Rate Schedule 1 costs to market participants. The study will be completed some time in the first quarter of 2004.

Mr. Oates stated that the objectives for today's meeting are to act on the minutes from last meeting and to hear standard reports from Bill. Museler and Chuck King. Also, Garry. Brown will give an update on the planning process.

2. Approval of Minutes

Chuck King presented the minutes for the November 12th MC meeting. Two suggested changes were incorporated.

Motion #1:

Motion to approve the Minutes from the November 12, 2003 MC meeting as amended.
(Motion passed unanimously by show of hands)

3. President's Report

William Museler presented the President's report for the month.

Market Performance Highlights

Mr. Museler stated that gas prices have remained high, resulting in higher energy prices. Price corrections remain low and price reservations are down in the 6-7% range. The NYISO anticipates that SMD will further reduce reservations.

Mr. Museler reported that virtual trading bids continue to increase, with approximately 425,000 MWh bid per day. Actual scheduling of virtual bids are fairly level.

Mr. Museler also reported that multi-hour block bid levels are at an all time high, with approximately 400,000 MWh bid per day. However, actual scheduling is low.

Blackout Report Status

Mr. Museler stated that the NYISO's interim report will contain a time sequence that illustrates the blackout progression. The interim report is in the process of being reviewed for accuracy and should be issued by the first week of January. This interim report will not contain any recommendations, just factual information.

NAESB Update and IRC Activities

Mr. Museler reported that the North American Energy Standards Board ("NAESB") has developed a seams matrix that it is consistent with the seams report that is given quarterly to FERC.

He added that an annual plan has been developed by the NYISO and supplied to NAESB and the North American Electric Reliability Council ("NERC"). To date, the Energy Cyber standard is the only one that has been issued.

SMD2 progress

Mr. Museler reported that the Phase 1 Factory Acceptance Test ("FAT") and endurance testing has been successfully completed, though some minor bugs are still being fixed. The NYISO is still working to reevaluate the schedule and will allow for additional testing by Market Participants. Mr. Museler stated that it is likely that deployment will not occur on April 1st 2004, but will hopefully deploy prior to summer 2004. A revised schedule will be issued by late January.

In response to a question, Mr. Museler stated that price reservations and corrections would be used to protect consumers from exposure to potential non-competitive pricing when SMD2 is deployed.

Mr. King stated in response to another question, that he would research the possibility of AMP 4 being deployed separately from SMD.

Mr. Scheiderich, of Select Energy, stated that he would like an opportunity to observe SMD running in a simulation environment.

4. Update on Seams and Market Improvement Projects

Chuck King reported on projects that will be completed this quarter.

Mr. King stated that the evaluation of 7040 has been completed. Mr. Desilets, of HQ Energy Services US, added that the 7040 project study recommended developing a process to assess available margins to support HAM scheduling above current MW limits. New Brunswick has been incorporated into ACE diversity interchange. Work is continuing to further develop Facilitated Checkout. Rate pancaking meetings are continuing with Transmission Owners.

John Buechler added that meetings have been held with ISO New England (“ISONE”) and New York Transmission Owners to discuss elimination of export charges between regions. It is anticipated that a proposal will be submitted to New England Regulators in January.

Mr. King reported that TLRs have decreased as a result of Ontario generation coming back online. The NYISO will prepare a detailed presentation for the Scheduling and Pricing (“S&P”) Working Group on Jan 9th to further discuss NYISO procedures for dealing with TLRs.

5. Update on Planning

Interconnection Compliance Filing

Garry Brown gave a status report on the FERC Interconnection Order NYISO Compliance Filing and the NYISO Comprehensive Planning Process.

6. New Business

Mr. Oates noted that the 2004 MC meetings would be scheduled for the first Wednesday of the month. It is likely that the January meeting will also be a teleconference.

7. Adjourn

The meeting was adjourned at approximately 11:19

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MOTIONS FROM THE MEETING

Motion #1:

Motion to approve the Minutes from the November 12, 2003 MC meeting.

(Motion passed unanimously by show of hands)

New York Independent System Operator - Committee Membership

Management Committee - Attendance December 17, 2003 - Albany, NY - Parties Checked in Attendance

Organization	Sector	Representative	Alternate1	Alternate2	Alternate3	Alternate4	Alternate5	Alternate6	Proxy	Guest
NYS Energy Research & Develop. Auth.	End Use - Gov. Agency/Aggr.	Paul DeCotis	✓ David Coup	Erin Hogan	Chris Hall	John Spath				
The City of New York	End Use - Gov. Agency/Aggr.	Michael Delaney	Gil Quiniones	Scott Butler	Jonathan Wallach					
Alcoa/Reynolds Metals Company	End Use - Large Consumer	Robert Loughney	✓ Michael Mager							
ATCO Management Co.	End Use - Large Consumer	Peter DiCapua	Scott Petersen	George Diamantopoulos						
IBM Corporation	End Use - Large Consumer	Robert Loughney	✓ Michael Mager							
Occidental Chemical Corp.	End Use - Large Consumer	Robert Loughney	✓ Michael Mager							
Praxair Inc.	End Use - Large Consumer	Robert Loughney	✓ Michael Mager							
Xerox Corporation	End Use - Large Consumer	Robert Loughney	✓ Michael Mager							
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	John Dowling	✓ John Dowling	Jennifer Kearney	✓ Tariq Niazi	Doug Elfner				
Building and Realty Institute	End Use - Small Consumer	✓ Herb Rose	Judith Mondre	Ted Lee	✓ Tariq Niazi					
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	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	Ted Lee	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	✓ Christopher Wentient	Rick Santoroski	Charles Sjoberg						
American National Power, Inc.	Generation Owners	Dorothy Capra	Bill Henson							
Astoria Energy LLC	Generation Owners	Greg Banhazl	Leonard Singer							
Calpine	Generation Owners	Thomas Kaslow	Tracee Bersani	✓ Richard Felak						
East Coast Power	Generation Owners	Thomas Hoatson	Robert Licato	Kathy Benini						
Edison Mission Marketing & Trading	Generation Owners	✓ William Roberts	Robert Agnello	Jeffrey Ellis						
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	James Brennan	Rich Hohlman	Joseph Vignola	James D'Andrea	Terrence Kain	Rich Rapp			
Mirant New York, Inc.	Generation Owners	Susann Felton	✓ Doreen Saia	Vicki Lynch						
Orion Power New York	Generation Owners	John Reese	Bruce Bleiweis							
PG&E Generating	Generation Owners	Dan Dubois	Dan Whyte							
Sithe Energies, Inc.	Generation Owners	Generation Owners	✓ David Applebaum	Regina Carrado						
TransCanada Power Marketing	Generation Owners	William Taylor	Elaine Beaudry							
1st Rochdale Cooperative NYC	Other Suppliers	Gregory Wortham								
Advantage Energy, Inc.	Other Suppliers	Kyle Storie								
Agway Energy Services, Inc.	Other Suppliers	Russell Miller	✓ Jim Scheiderich							
Amerada Hess Corporation	Other Suppliers	Hemant Jain	Kevin Laguardia	Blas Hernandez						
Aquila Energy Marketing Corp.	Other Suppliers	Jerry Coffey	Peter Brown	David Wiesner	Pamela VanHorn	Richard Mooney	✓ Susan Chamberlin			
Cinergy Capital and Trading	Other Suppliers	Jason Barker	Wait Yeager							
Con Edison Energy	Other Suppliers	Ken Bekman	Ivan Kimball							
Con Edison Solutions	Other Suppliers	Ken Bekman	Stephen Wemple							
Conectiv	Other Suppliers	Bill Fehr	John Foreman							
Constellation New Energy Inc.	Other Suppliers	Peter Duprey	Carrie CullenHitt	Steve Fernands						
Constellation Power Source	Other Suppliers	Daniel Allegretti	Glen McCartney	Mary Lynch	Carrie CullenHitt					
Coral Power, LLC	Other Suppliers	Matt Picardi	Marc Overdyk	Dave French						
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	Tom May	Steve Vavrik				
ECONergy	Other Suppliers	Saul Horowitz	✓ Tom Halleran							
Ei Paso Merchant Energy	Other Suppliers	Gary Keevill	Asavari Alvarez	Russel Like						
Exelon Generation - Power Team	Other Suppliers	Linda Clarke	✓ David Applebaum	Regina Carrado						
Fortistar/Lockport Energy Associates, L.P.	Other Suppliers	Roger Kelley	Tom Gesicki	✓ Mark Younger	✓ Glenn Haake					
FPL Energy	Other Suppliers	Fernando DaSilva								
HQ Energy Services	Other Suppliers	✓ Christian Desilets	Michel Prevost	Paul Norris	Benoit Goyette					
KeySpan Energy Services	Other Suppliers	Terrence Kain	James D'Andrea	Edwin Kichline	James Cross	John Vaughn				
Mirabito Gas & Electric, Inc.	Other Suppliers	Russ Southard	✓ Jim Scheiderich							
Morgan Stanley Capital Group	Other Suppliers	Patrick Murray	Karen Kochonies	Levon Kazarian	Doron Ezickson	Nikolai Markarian				
NRG Power Marketing	Other Suppliers	Joe DeVito	✓ Tim Foxen	✓ Peter Chamberlain						
NU / Select Energy	Other Suppliers	Gunnar Jorgensen	✓ Jim Scheiderich							
Ontario Power Generation Inc.	Other Suppliers	✓ Barry Green	Tasos Karatsoreos	Ken Lacivita						
PP&L Energy Plus	Other Suppliers	✓ John Brodbeck	Roland Moor	David Smith						
PSEG Energy Resources & Trade	Other Suppliers	✓ Howard Fromer	Michael LaFalce							
Reliant Energy Services, Inc.	Other Suppliers	Bruce Bleiweis	John Reese	✓ Liam Baker						

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Sempra Energy Trading	Other Suppliers	✓ Tom Halleran	Dan Staines							
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							
Transalta (formerly MEGA)	Other Suppliers	Bob Sadowsky	Jubran Whalan							
TransEnergie U.S. Ltd.	Other Suppliers	José Rotger	Michael Jacobs							
Williams Energy Marketing & Trading Co.	Other Suppliers	David Singer	Robert O'Connell							
Long Island Power Authority	Public Power - Authorities	Jim Parmelee	Bill Killgoar	Seth Hulkower	Kevin Jones					
New York Power Authority	Public Power - Authorities	Robert Hiney	✓ William Palazzo	Kim Byham						
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	✓ Tim Bush			
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	✓ 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							
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	Jack Brown	Ken Moore	✓ Tim Bush			
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	Bart Franey	Masheed Rosenqvist	✓ MaryEllen Paravalos		
NY State Electric Gas (NYSEG)	Transmission Owners	✓ Ray Kinney	✓ Patti Caletka	Hank Masti	Cliff Olson	Denise Wickham				
Orange & Rockland, Inc.	Transmission Owners	None Assigned								
Rochester Gas & Electric	Transmission Owners	✓ Ray Kinney	✓ Patti Caletka	Hank Masti	Cliff Olson	Denise Wickham				
Caithness Energy, L.L.C	Non-voting	Ross Ain	Jack Feinstein							
Cianbro Corporation	Non-voting	Chuck Hewett	John Tompkins							
Customized Energy Solutions	Non-voting	✓ Rick Mancini	Stephen Fernands	Bill Schofield						
Energetix, Inc.	Non-voting	Barney Farnsworth								
Hudson River Energy Group	Non-voting	Frank Radigan								
Hydro-Quebec TransEnergie	Non-voting		Mario Boucher							
NYS Department of Public Service	Non-voting	Penny Rubin	Rajendra Addepalli							Bill Heinrich
The Structure Group	Non-voting	Bob Furry	Alex Lago							
William P. Short	Non-voting	William Short	Marc Schaefer	Joe DeVito	✓ John Brodbeck	Ron Matlock	Paul Savage	Jim Verna	Roberto Denis	
zNew Member	Non-voting	None Assigned								
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
✓ Chuck King	NYISO
Mollie Lampi	NYISO
Steve Balsler	NYISO
Andy Ragogna	NYISO
✓ Elaine Robinson	NYISO
✓ Jonathan Mayo	NYISO
✓ Leigh Bullock	NYISO
✓ Ray Stalter	NYISO
✓ Debbie Eckels	NYISO
Jim Savitt	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