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January 8, 2003

Via Telecopy and Mail

William J. Museler
President and CEO
New York Independent System Operator
3890 Carman Road
Schenectady, NY 12303

Re: *Compliance with Management Committee Bylaws*

Dear Mr. Museler:

On behalf of the Members of the Municipal Electric Utilities Association of New York State ("MEUA"), I write to complain that the NYISO has not complied with the bylaws of the market participant committees, specifically on the agenda procedures to be used for the January 9, 2003 Management Committee meeting. The purpose of this letter is to solicit your commitment that, in the future, the NYISO will take all appropriate measures to allow the Chairperson of the Committee to determine the agenda for a committee meeting, as provided in the bylaws.

Under Section 5.01 of the Management Committee Bylaws, the Chairperson has the discretion to establish the agenda for a Management Committee meeting. With reference to the January 9, 2003 Management Committee meeting, I timely informed the NYISO staff that the proposed Credit Policy, as approved by the Business Issues Committee, was requested to be on the agenda. In response, an attorney from the NYISO informed me that the item would not be placed on the agenda. The primary basis for this action, I was told, was that the NYISO's

attorneys, including outside counsel, felt that this item “was not something the Board of Directors wanted considered at this time.”

I understand that another party requested that the same item be placed on the agenda, and that they received a similar rejection.

When asked, the current Chairperson of the Management Committee stated that he was not made aware that any party had requested that the proposed Credit Policy be placed on the agenda, and that he had approved the agenda prepared by staff.

The governing committees are designed to seek the input of market participants, which is why the Chairperson of the Committee establishes the agenda, not the NYISO staff or Board of Directors. It is a violation of the Bylaws for the NYISO staff to take it upon itself to decline to place items on the agenda.

MEUA, therefore, requests that you direct the staff to take all appropriate measures to ensure that the Chairperson of each committee is fully informed of all requests related to items for the agenda. Please let us know if this is a commitment the NYISO can make.

Sincerely,

/s/ Thomas L. Rudebusch

Thomas L. Rudebusch
Attorney for Municipal Electric Utilities
Association of New York State

cc: James Hamilton, Village of Westfield and President - MEUA
Robert A. Mullane, Executive Director - MEUA
Garry Brown, Chairperson of Management Committee
Richard J. Grossi, Chairman of Board of Directors
John W. Boston, Vice Chairman of the Board of Directors