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**DRAFT****NYISO Management Committee Meeting Minutes****November 2, 2012****10:10 a.m. – 12:30 p.m.**

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**1. Introductions, Meeting Objectives, and Chairman's Report**

Mr. Howard Fromer (PSEG), the Chair of the Management Committee (MC), called the meeting to order at 10:10 a.m. and welcomed the members of the MC. Participants introduced themselves and their affiliations. There was a quorum.

Mr. Fromer praised everyone for their efforts in working together to restore back power and normalcy following Hurricane Sandy. He noted that it has been a difficult time for all, and everyone has worked tirelessly before, during, and after the hurricane.

**2. Approval of Meeting Minutes – Sept 2012**

The September minutes were presented for approval. Mr. Fromer had a slight revision to the first paragraph on second page regarding a statement on Order 1000.

***Motion #1:***

Motion to approve the September Management Committee minutes.

*Motion passed unanimously with an abstention*

**3. President and COO Report**

Mr. Mukerji (NYISO) filling in for Mr. Whitley, echoed Mr. Fromer's comments pertaining work efforts following the hurricane, and noted that through it all the bulk power system remains secure and all stakeholder groups have been exemplary. He added that the NYISO is thankful that NYC and Long Island remained synchronized during the hurricane. He thanked all on behalf of the NYISO and the Board.

Mr. Yeomans provided an account of the Hurricane events. He emphasized that this was an overview from the NYISO big picture perspective and didn't want to get into any specific details on transmission distribution or generation asset levels. His presentation included an overview on the actions NYISO took in preparation of the storm. He talked about infrastructure status during the storm and after, during recovery. The complete presentation with details is posted under November 2, 2012 MC meeting material. Mr. Fromer thanked Mr. Yeomans for giving such a valuable presentation.

Mr. Dewey provided an update on the NYISO construction. He said that there was no impact on the construction from the hurricane. Significant progress has been made and we are very close to schedule.

Mr. Mukerji noted that due to the hurricane, the NYISO Customer Satisfaction survey has been extended for a week and encouraged everyone to provide input.

**4. Management Committee Vice Chair Election**

Mr. Fromer presented the nominee, Mr. Alan Ackerman (Customized Energy Solutions), for approval as 2013 Vice Chair. An election was held and Mr. Ackerman was approved by MC members as Vice-Chair.

## 5. 2013 NYISO Budget

Mr. Bob Boyle (NYPA) provided highlights of the budget presentation. The presentation included driving factors of the budget and also a comparison with other ISO's. He stated that this item is being brought to the Management Committee for approval and then would be presented to the Board for final approval. He noted that the NYISO has made every effort to keep the budget low.

Mr. Mike Mager (Multiple Intervenors "MI") stated that in past years MI has either voted for or abstained on the budget, however this year, they are opposing it. The increase is too high and they would have strongly preferred if the NYISO had gotten the budget down a little more. Mr. Saul Rigberg (NYS DOS) echoed the comments of Multiple Intervenors.

Mr. Kevin Lang (City of NY) agreed and stated that the economy hasn't fully recovered and participants are looking at an increase. He said while he understands the NYISO's rationale for the increase, he finds the incentive compensation portion discouraging. His opinion is that the NYISO is already at or above targets to secure incentives.

### Motion #2

The Management Committee hereby recommends that the Board of Directors approve the proposed Rate Schedule #1 Revenue Requirement for the 2013 budget year as described in the presentation materials for the November 2, 2012 Management Committee meeting, subject to the following provisions:

- Revenue Requirement -The Revenue Requirement is \$161.1 million.
- Rate Schedule #1 – The budgeted Rate Schedule #1 is \$0.964/MWh.
- Spending Under-runs – If a spending under-run occurs, the related funds should be utilized to pay down the principal amount of outstanding debt or reduce anticipated debt borrowings.
- Volume Over-collections- If an over-collection on Rate Schedule #1 occurs, the related funds should be utilized to pay down the principal amount of outstanding debt or reduce anticipated debt borrowings

*The motion passed by majority show of hand with abstentions.*

## 6. Tariff Change Related to Billing Issues Project

Mr. Paul Edmundson (NYISO) provided an update on the MST Section 5.12.10 (Curtailment of External Transactions In-Hour). This tariff modification was presented to the Management Committee on September 28, 2012. At that time, a question was raised as to whether this particular tariff amendment should be revised rather than deleted. The Management Committee approved the other five amendments in the same presentation and asked the BIC to discuss this amendment again. This proposed amendment was discussed at the October 17, 2012 BIC. The concerned Market Participant indicated that his issues had been resolved and that this paragraph can be deleted.

### Motion #3:

The Management Committee (MC) approves the Tariff Revision pertaining to the Billing Issues Project as described to this MC meeting on November 2, 2012 and recommends the NYISO Board also approve it for purposes of a Section 205 filing by the NYISO.

*The motion was approved unanimously with abstentions*

## 7. Blind Trust Mechanism

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Mr. Kevin Jones (Hunton and Williams) provided an overview of the Blind Trust Mechanism. The NYISO proposed to introduce this to provide NYISO Employees with an alternate method for disposing of investments in companies that are not primarily engaged in the electric power sector and cannot be materially impacted by NYISO actions. The use of a blind trust would prevent financial harm to the NYISO Employee, while preserving the NYISO's independence. Under the blind trust mechanism, a fiduciary third party would have full management discretion over a trust's holdings. The trust beneficiary would not have control over and would not be certain of the holdings of the trust. The NYISO Employee will have six months to divest the securities or place them in a single blind trust.

The NYISO will annually re-perform the two-part test for any company that has qualified for inclusion in a blind trust using that company's updated financial data for the most recently completed year and its affiliates' total purchases and sales in the NYISO's markets during the same period.

Motion #4:

The Management Committee (MC) approves the tariff revision pertaining to the Blind Trust Mechanism as described to this MC meeting on November 2, 2012 and recommends the NYISO Board also approve it for purposes of a Section 205 filing by the NYISO.

*The motion was approved by show of hands with abstentions.*

**8. Draft Tariff Language to Implement Interconnection Process Improvements**

Mr. Steve Corey (NYISO) presented proposed tariff changes for implementing various interconnection process improvements (see presentation provided with the meeting materials).

Motion #5:

The Management Committee (MC) approves the Tariff Revisions pertaining to the interconnection process improvements as described to this MC meeting on November 2, 2012 and recommends the NYISO Board also approve these Tariff Revisions for purposes of a Section 205 filing by the NYISO.

*The motion passed unanimously with abstentions*

**9. New Business**

The meeting was adjourned at 12:30 p.m.