

NYISO Management Committee Meeting

December 17, 2003

Teleconference

Draft 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. 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 Scott Butler	Chris Hall Jonathan Wallach	John Spath				
Alcoa/Reynolds Metals Company ATCO Management Co.	End Use - Large Consumer End Use - Large Consumer	Robert Loughney Peter DiCapua	✓ Michael Mager Scott Petersen	George Diamantopoulos						
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							
Xerox Corporation Metropolitan Transportation Authority Association for Energy Affordability, Inc.	End Use - Large Consumer End Use - Large Cons. Gov. End Use - Small Consumer	Robert Loughney ✓ Jesse Samberg David Hepinstall	✓ Michael Mager Gary Caplan ✓ Larry DeWitt	Walter McCarroll						
Beth Israel Health Care System Building and Realty Institute Citizens Advisory Panel	End Use - Small Consumer End Use - Small Consumer End Use - Small Consumer	Catherine Luthin ✓ Herb Rose Gordian Raacke	✓ John Dowling Judith Mondre ✓ Larry DeWitt	Jennifer Kearney Ted Lee	✓ Tariq Niazi ✓ Tariq Niazi	Doug Elfner				
CNYC Inc. (Council of NY Coop & Condo) Columbia University Mount Sinai Medical Center	End Use - Small Consumer End Use - Small Consumer End Use - Small Consumer	✓ Herb Rose Catherine Luthin Catherine Luthin	MaryAnn Rothman ✓ John Dowling ✓ John Dowling	Judith Mondre Jennifer Kearney Jennifer Kearney	Ted Lee ✓ Tariq Niazi ✓ Tariq Niazi	✓ Tariq Niazi Doug Elfner Doug Elfner				
New York Energy Buyers Forum New York Presbyterian Hospital New York University Refined Sugars, Inc.	End Use - Small Consumer End Use - Small Consumer End Use - Small Consumer End Use - Small Consumer	✓ Herb Rose Catherine Luthin Catherine Luthin John Gebhard	✓ John Dowling Ted Lee ✓ John Dowling ✓ John Dowling	Ted Lee David Bomke Jennifer Kearney Jennifer Kearney	✓ Tariq Niazi ✓ Tariq Niazi ✓ Tariq Niazi	Doug Elfner Doug Elfner Jennifer Kearney				
NY State Consumer Protection Board AES NY American National Power, Inc.	End Use - State Agency Generation Owners Generation Owners	✓ Tariq Niazi ✓ Christopher Wentient Dorothy Capra	Rick Santoroski Bill Henson Leonard Singer	Charles Sjoberg						
Astoria Energy LLC Calpine East Coast Power Edison Mission Marketing & Trading	Generation Owners Generation Owners Generation Owners Generation Owners	Greg Banhazl Thomas Kaslow Thomas Hoatson ✓ William Roberts	Tracee Bersani Robert Licato Robert Agnello Angelo Vai	✓ Richard Felak Kathy Benini						
Entergy Nuclear Northeast Indeck Energy Services KeySpan Ravenswood, LLC Mirant New York, Inc.	Generation Owners Generation Owners Generation Owners Generation Owners	Marc Potkin Mike Ferguson James Brennan Susann Felton	John Schrage Rich Hohlman ✓ Doreen Saia	Jeffrey Ellis Ron Mackowiak Mark Younger Joseph Vignola Vicki Lynch	James D'Andrea	Terrence Kain	Rich Rapp			
Orion Power New York PG&E Generating Sithe Energies, Inc. TransCanada Power Marketing	Generation Owners Generation Owners Generation Owners Generation Owners	John Reese Dan Dubois Linda Clarke William Taylor	Bruce Bleiweis Dan Whyte ✓ David Applebaum Elaine Beaudry	Regina Carrado						
1st Rochdale Cooperative NYC Advantage Energy, Inc. Agway Energy Services, Inc. Amerada Hess Corporation	Other Suppliers Other Suppliers Other Suppliers Other Suppliers	Gregory Wortham Kyle Storie Russell Miller Hemant Jain	✓ Jim Scheiderich Kevin Laguardia Peter Brown	Blas Hernandez David Wiesner						
Aquila Energy Marketing Corp. Cinergy Capital and Trading Con Edison Energy Con Edison Solutions	Other Suppliers Other Suppliers Other Suppliers Other Suppliers	Jerry Coffey Jason Barker Ken Bekman Ken Bekman	Wait Yeager Ivan Kimball Stephen Wemple		Pamela VanHorn	Richard Mooney	✓ Susan Chamberlin			
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	Steve Fernands Mary Lynch Dave French Michael Bekker		Carrie CullenHitt				
Dominion Energy Marketing, Inc. Duke Energy North America, LLC Dynegy ECONergy	Other Suppliers Other Suppliers Other Suppliers Other Suppliers	Wes Walker Stacy Dimou ✓ Alan Foster Saul Horowitz	Lou Oberski Del Disher Jason Cox ✓ Tom Halleran	Kevin White		Tom May	Steve Vavrik			
EI Paso Merchant Energy Exelon Generation - Power Team Fortistar/Lockport Energy Associates, L.P. FPL Energy	Other Suppliers Other Suppliers Other Suppliers Other Suppliers	Gary Keevill Linda Clarke Roger Kelley Fernando DaSilva	Asavari Alvarez ✓ David Applebaum Tom Gesicki	Russel Like Regina Carrado ✓ Mark Younger						
HQ Energy Services KeySpan Energy Services Mirabito Gas & Electric, Inc. Morgan Stanley Capital Group	Other Suppliers Other Suppliers Other Suppliers Other Suppliers	✓ Christian Desilets Terrence Kain Russ Southard Patrick Murray	Michel Prevost James D'Andrea ✓ Jim Scheiderich Karen Kochonies	Paul Norris Edwin Kichline Levon Kazarian	Benoit Goyette James Cross	John Vaughn				
NRG Power Marketing NU / Select Energy Ontario Power Generation Inc. PP&L Energy Plus	Other Suppliers Other Suppliers Other Suppliers Other Suppliers	Joe DeVito Gunnar Jorgensen ✓ Barry Green ✓ John Brodbeck	✓ Jim Scheiderich Tasos Karatsoreos Ken Lacivita Roland Moor	✓ Peter Chamberlain	Doron Ezickson	Nikolai Markarian				
PSEG Energy Resources & Trade Reliant Energy Services, Inc.	Other Suppliers Other Suppliers	✓ Howard Fromer Bruce Bleiweis	Michael LaFalce John Reese	✓ Liam Baker						

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Organization	Sector	Representative	Alternate1	Alternate2	Alternate3	Alternate4	Alternate5	Alternate6	Proxy	Guest
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								
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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