

**NYISO MANAGEMENT COMMITTEE
AGENDA**

February 20, 2003

NYC

10:00 AM –3:00 PM

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| 1. Introductions, Meeting Objectives & Chairman’s Report | G. Brown | 10:00 -- 10:20 |
| 2. Report on PPT meeting | | |
| 3. Approval of Minutes | C. King | 10:20 -- 10:25 |
| 4. President’s Report | W. Museler | 10:25 – 11:00 |
| 5. Update on Seams and Market Improvement Projects | C. King | 11:00 – 11:20 |
| ▪ Local Reliability | J. Schmidt | |
| 6. Motion to approve proposed tariff revisions to Financial Assurance Requirements as presented February 20, 2003 and as previously presented to the Management Committee on December 16, 2002. This Motion was approved by the Business Issues Committee, December 13, 2002 and includes revisions to the credit requirements and recovery formulas for working capital and bad debt loss. | T. Rudebusch | 11:20 - 11:45 |

Discussion and MC Action

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| 7. Motion to approve as part of the Financial Assurance Requirements the modified energy weighted approach, as more fully described in the attached statement “ <i>Working Capital and Credit Loss Allocations</i> , and assign a fixed allocation of 50% of bad debt loss to total energy withdrawals (and recovered as described in attached statement) and 50% to total energy injections (and recovered as described in attached statement) and, if it is found to be necessary to augment the working capital fund, to use the formulas used for recovering NYISO fixed budget costs as allocated under Rate Schedule 1 (i.e. 85/15%). This Motion was approved by the Business Issues Committee February 11, 2003. | K. Jones (LIPA) | 11:45 – 12:10 |
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Discussion and MC Action

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| 8. Motion to convert the pending Section 206 filing on credit assurance to a Section 205 filing by approving the comprehensive revision of the credit requirements applicable to Customers participating in the NYISO-administered markets. This Motion covers that portion of the motion approved at the December 13, 2002 Business Issues meeting that relates to credit requirements. | P. Gootee | 12:10 – 12:30 |
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Discussion and MC Action

Lunch

12:30 – 1:30

9. Motion to Approve a Supplemental Congestion Reduction Proposal as presented February 20, 2003. This Motion was approved by the Business Issues Committee February 11, 2003.

J. Ancona

1:30 – 2:00

Discussion and MC Action

10. Report from the ~~Market Participants Audit Advisory Subcommittee (“MPAAS”)~~ Budget Standards and Performance Subcommittee

~~A. Brennan~~
Jim Parmelee

2:00– 2:20

Discussion

11. ~~Motion to approve the Demand Curve Proposal contained in the presentation posted for the February 13, 2003 MC meeting.~~

G. Haake

2:20 – 2:55

~~***Discussion and MC Action***~~

~~Withdrawn at the request of the sponsor~~

12. New Business

2:55

13. Adjourn

3:00

MEETING OBJECTIVES

- Vote to convert to a Section 205 filing the pending Section 206 filing seeking FERC approval of the comprehensive credit provisions of the Financial Assurance Policy;
- Vote on the entire Financial Assurance Policy including the comprehensive credit policy, the working capital policy and the bad debt policy approved by the BIC on December 13, 2002;
- Vote on new recovery methodologies for working capital and bad debt approved by the BIC on February 11, 2003;
- Vote on a Supplemental Congestion Reduction Proposal approved by the BIC on February 11, 2003.
- Vote of the Demand Curve Proposal (if this issue is approved at the Special February 13, 2003 meeting, it will be removed from this agenda.)