

NYISO Management Committee Meeting

January 9, 2003

The New York State Nurses Association
11 Cornell Road, Latham

Draft MINUTES OF THE MEETING

1. Introduction and Meeting Objectives

Mr. Brown called the meeting to order at 10:03 AM and welcomed the members of the Management Committee ("MC"). Upon review of the bylaws of the MC, Mr. Brown reported that the chair and vice chair of the Budget Standards and Performance Subcommittee ("BS&P") are required to change yearly. Mr. Brown officially named Mr. James Parmelee, of LIPA, as Chair and Mr. Mario DiValentino, of Strategic Power, as Vice Chair of the BS&P for the year 2003.

Mr. Brown went on to report on how items can be placed on the MC agenda. Ultimately, the MC Chair has the final discretion to set the agenda except for the mandatory items: Appeals and New Business. To address other topics, please submit an email to: Elaine Robinson (erobinson@nyiso.com), Mollie Lampi (mlampi@nyiso.com), Garry Brown (gbrown@sithe.com), and Joe Oates (oatesj@coned.com)

Committee fees are due by January 15. If fees are not received, committee privileges will be forfeited. Please refer to e-mail sent yesterday by Kristen Kranz.

2. Approval of the Minutes

Mr. King presented the minutes of December 5, 2002, for approval. The minutes were approved as submitted.

Motion #1:

Motion to approve the Minutes of December 5, 2002

(Motion passed unanimously, by polling members for abstentions and objections)

3. President's Report

Reliability Indicators

Mr. Museler noted that the grid experienced no real challenges in the month of December, stating that the recent major snowstorms didn't affect the bulk power system. He did, however note that Ontario had problems with coal piles freezing, which resulted in emergency sales to OH.

Market Performance Highlights

Mr. Museler reported that Real Time price corrections remained at low levels for the past few months. Uplift has continued to drop since June of 2002. In fact, uplift actually went negative in the month of December, due mostly to loss residuals. Trend line analyses of market prices show slightly upward movement. This is attributed mostly to an increase in fuel prices, increases in reserve and regulation prices, and enhanced price signals that have been offset by a reduction in uplift costs.

Mr. Museler further reported that DAM and RT prices continue to stay fairly close. This trend is likely to continue until RTS is deployed when it should converge even more. Likewise BME is showing better convergence than in past

2002 Billable Load Trends – Forecasted vs. Year-End Actual

Mr. Museler reported on the impact of the billable load on the budget by month up to December. Mr. Museler reported that preliminary numbers show that actual load was above forecasted load for December. This increased send-out over the last several months coupled with the \$3 million budget under-run carried over from 2001 will result in an estimated net budget under-run of \$1.9 million. Final numbers should be released in March.

Bid Cap – 10 minute NSR – Schedule for Resolution

Mr. Museler reported that the NYISO and Dr. David Patton agree that it is time to phase out the \$2.52 10-minute non-spinning reserve bid cap. It is anticipated that the January Business Issues Committee ("BIC") will assign the issue to a working group for consideration. Tentatively, there will be a vote at the February BIC to lift the cap followed by a vote at the March MC and ultimately to the March Board meeting.

Sector Meeting Schedule on Future Direction of the NYISO

Mr. Museler reported that dates for the upcoming sector meetings have been established as well as for an all-sector plenary session. Mr. Museler feels that although the future is uncertain, it is critical to get input from Market Participants of their vision of the ISO's future. The short-term direction is set (12-18 months), but additional discussion is needed to prepare for the FERC SMD.

ISO/RTO Council Relationship with NERC and NAESB

Mr. Museler reported he has been meeting with NAESB for the past two months to develop a conceptual agreement that will define the relationship between ISO/RTOs, NERC, and NAESB. Ultimately the NERC/NAESB MOU that was signed in November 2002 will be modified to include ISOs and RTOs. ISOs and RTOs will provide a technical advisory role to NAESB. Mr. Museler assured MP's that the potential agreement does not impinge on ISO management or the stakeholder process. The next meeting has been scheduled for January 14th.

Credit Policy Status

Mr. Museler reported that the comprehensive credit policy failed to pass at December's MC meeting due to market participants' concerns about the loss sharing and the working capital formulas. The Board has directed staff to work with MPs to resolve these issues promptly. The Board further stressed how important it was to put in place the revised credit policy as soon as possible, and directed NYISO staff to make a 206 filing with FERC exclusive of the revised loss sharing and working capital sharing formulas.

4. Update on Seams and Market Improvement Projects

Mr. King reported that the NYISO would be meeting with PJM tomorrow to discuss RTS and interregional dispatch and later in the month ramping issues. Mr. King also reported that last week he met with ISO-NE to discuss OSS, SMD1.0 and interregional dispatch. The NYISO attended stakeholder meetings with IMO last week and will meet again next week to discuss further improvement to the transaction handling procedures.

A 3-way discussion is being set up on controllable line pricing among NYISO, PJM and ISO-NE. . A draft con-op on this subject will be presented to market participants next week at the Market Structures Working Group for initial discussion and stakeholder feedback.

Mr. Scheiderich raised a point about a recent news release stating that the 1385 cable was being repaired and that it may be reenergized by summer. Therefore, pricing issues need to be included in discussions with other ISOs. Mr. King acknowledged Mr. Scheiderich's concern and noted that the issues were being discussed between NYISO and ISO-NE.

Mr. King further reported that he would be scheduling a seams coordination meeting for late February to early March. There will also be a presentation made to the FERC on 1/15 to update them on progress in resolving seams issues in the Northeast.

5. Motion to approve scarcity pricing

Mr. Hartshorn made a presentation on 'Reserve Shortage Cost Pricing' as he had at the December 2002 BIC meeting.

Ms. Agriss, of Consolidated Edison, questioned whether an analysis had been done regarding opportunity cost. Mr. Hartshorn responded that SCD does not have the ability to build shortage conditions into prices which would be needed in order to perform that type of analysis.

Ms. Agriss questioned under what circumstances EDRP/SCR would be called. Mr. Hartshorn responded that NYISO operations staff determined the conditions that may result in a reserve shortage. Mr. Museler interjected that the EDRP/SCR call process will not change, it is strictly for reliability, therefore, Operations will still make that determination.

Mr. Patton reported that his initial analysis of Reserve Shortage Pricing, as applied to 2002 data, shows an impact of up to \$200. He added that this analysis did not assume any EDRP calls.

Ms. Saia, representing Mirant, discussed the importance of sending proper price signals to the market that reflected shortage conditions. Mr. Gioia, representing Transmission Owners, stressed that the #1 priority is to maintain reserve.

Mr. Breidenbaugh questioned what incremental impact this would have beyond EDRP. Mr. Hartshorn responded that price signals will be consistent with reliability/cost impacts.

Mr. Moser, of Dynegy, questioned the scenario of the loss of a unit in NYC. Mr. Hartshorn responded that the loss of a major unit in NYC would likely result in a reserve pickup. In this case, the market will not see the \$1000 price.

Mr. Moser stressed that economic incentive may be blunted by the fact that people are not bidding at cost.

Motion #2:

The Management Committee approves the concept of setting prices during periods of sustained shortages of reserves as discussed in the Reserve Shortage Cost Pricing presentation made at the January 9, 2003 Management Committee meeting and requests the NYISO Board to file appropriate tariff language with the FERC for approval provided that such proposal will expire when RTS is implemented if RTS includes a mechanism to address scarcity pricing. Said tariff language to be reviewed and approved before filing by the Chairs and Vice-Chairs of the BIC and the Management Committee.

(Motion passed with 72.50 % affirmative votes)

The NYISO has agreed to provide a Customer Impact Analysis prior to implementation. NYISO staff will be working with the Scheduling and Pricing Working Group to further develop this concept.

Mr. Patton agreed to expand on his previous analysis using additional assumptions on how imports would have been affected.

This proposal will not be contingent on impact study results. Impact will be determined for the whole market, not by individual companies.

6. Appeal of December 13, 2002 BIC vote to approve Motion #3, Motion to amend demand curve proposal

Mr. Patton made a presentation of the 'Estimated Effects of the Proposed Capacity Demand Curves.'

Mr. Scheiderich stated that he disagreed that generation will be better off receiving revenue via capacity markets than via price spikes. A large entrant to the market could make the demand curve very volatile.

Mr. Patton stated that the Demand Curve would help to achieve a more manageable long-run equilibrium.

Mr. Agriss wondered if Mr. Patton had consulted with any banks or investment bankers when doing his study. Mr. Patton replied that he had not.

Mr. D'Andrea submitted an appeal by Keyspan Ravenswood and NRG Power Marketing.

Mr. Rapley reported that NRG was uncomfortable with how the revenue cap was applied. He would like to take more time to determine a better way to apply the cap.

Mr. Wemple reported that ConEd Solutions opposes the appeal and urged the Management Committee to reject the appeal, stating that the amendment was essential to maintaining a competitive retail market in NYC.

Motion #3:

Appeal by Keyspan/NRG of the December 13, 2002 BIC vote approving the amendment of a Motion related to a proposal to implement an ICAP demand curve, as is more fully presented in the Notice of Appeal, is hereby approved, the vote of the BIC is overturned and the Motion is not amended.

(Motion failed with 37.26 % affirmative votes)

7. Appeal of December 13, 2002 BIC vote failing to approve Motion #2, Motion to approve demand curve proposal

Mr. Haake submitted an appeal by the Independent Power Producers of New York ("IPPNY"), stating that the Demand Curve would provide predictable pricing, support rational levels of reliability, and reduce consumer exposure to energy and capacity price spikes.

Mr. Yeomans, representing investor owned utilities, stated opposition to the appeal. Mr. Yeomans estimated an electric retail rate burden of approximately \$500 million, with no guarantee of future reductions of energy prices.

Mr. Delaney stated that a Demand Curve would be contrary to competitive energy markets. The Demand Curve does not offer benefits that are certain and commensurate with costs.

Mr. Younger, Slater Consulting for Indeck, commented that the Demand Curve more realistically represents the true value of Installed Capacity ("ICAP") to the system. He also stated that the current ICAP market design does not send proper price signals needed to induce new entry to the market.

Mr. Fromer, of PSEG, stated that the New York Public Service Commission (PSC) has already made a case for the Demand Curve. He feels that the concept is correct, but should have confidence that numbers were developed independently.

Mr. O'Neal stated that the distributed generation community is in favor of demand curve.

Mr. Addepalli reported that the Public Service Commission supports a demand curve in concept, but has problems with some aspects of the existing proposal.

Motion #4:

Appeal by members of IPPNY (listed in the Notice of Appeal) of the December 13, 2002 BIC vote not to approve a Motion related to a proposal to implement an ICAP demand curve, as is more fully presented in the Notice of Appeal, is hereby approved, the vote of the BIC is overturned and the Motion is passed

(Motion failed with 47.10 % affirmative votes)

8. New Business

Mr. Rudebusch requested that the Credit Policy, as approved by BIC, be on next months MC agenda. He also requested that the filing be amended if it had been made before the next meeting.

Mr. Parmelee will be making a request that summer DMNC be an agenda item at the next BIC. The ICAP working group will meet again to explore other possibilities.

Mr. Parmelee reported that the next BS&P meeting is scheduled for Monday, January 13th. Topics to be discussed are: the FERC filing fee, Capital budget process, and employee incentive.

9. Adjourn

The meeting adjourned at approximately 3:51PM.

NYISO Management Committee Meeting

January 9, 2003

New York State Nurses Association, Albany NY

MOTIONS FROM THE MEETING

Motion #1:

Motion to approve the Minutes of December 5, 2002

(Motion passed unanimously by show of hands)

Motion #2:

The Management Committee approves the concept of setting prices during periods of sustained shortages of reserves as discussed in the Reserve Shortage Cost Pricing presentation made at the January 9, 2003 Management Committee meeting and requests the NYISO Board to file appropriate tariff language with the FERC for approval provided that such proposal will expire when RTS is implemented if RTS includes a mechanism to address scarcity pricing. Said tariff language to be reviewed and approved before filing by the Chairs and Vice-Chairs of the BIC and the Management Committee.

(Motion passed with 72.50 % affirmative votes)

Motion #3:

Appeal by Keyspan/NRG of the December 13, 2002 BIC vote approving the amendment of a Motion related to a proposal to implement an ICAP demand curve, as is more fully presented in the Notice of Appeal, is hereby approved, the vote of the BIC is overturned and the Motion is not amended.

(Motion failed with 37.26 % affirmative votes)

Motion #4:

Appeal by members of IPPNY (listed in the Notice of Appeal) of the December 13, 2002 BIC vote not to approve a Motion related to a proposal to implement an ICAP demand curve, as is more fully presented in the Notice of Appeal, is hereby approved, the vote of the BIC is overturned and the Motion is passed

(Motion failed with 47.10 % affirmative votes)

New York Independent System Operator - Committee Membership

Management Committee - Attendance January 9, 2003 - Albany, NY - Parties Checked in Attendance

Organization	Sector	Representative	Alternate1	Alternate2	Alternate3	Alternate4	Alternate5	Alternate6	Proxy	Guest
NU / Select Energy	Other Suppliers	Gunnar Jorgensen	James Scheiderich						✓ Bob Loughney	
Ontario Power Generation Inc.	Other Suppliers	✓ Barry Green	Tasos Karatsoreos	Ken Lacivita						
PP&L Energy Plus	Other Suppliers	John Brodbeck		Roger Dolan					✓ David Yannarell	✓ Steve McDonald
PSEG Energy Resources & Trade	Other Suppliers	✓ Howard Fromer	Michael LaFalce		Garrett Kirkner					
Reliant Energy Services, Inc.	Other Suppliers	Bruce Bleiweis	✓ John Reese							
Sempra Energy Trading	Other Suppliers	✓ Tom Halleran	Dan Staines	✓ Russel Like	Mally Becker	Bob Chilton				
Strategic Energy LLC	Other Suppliers	✓ Francis Pullaro	Michael Swider	Jeffrey Knox	James McCormick	Helen Caldwell				
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	Dennis Keener							
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						✓ Aaron Breidenbaugh	
Environmental Advocates	Public Power - Environmental	Anne Reynolds	Larry DeWitt						✓ Aaron Breidenbaugh	
Natl Resources Defense Council	Public Power - Environmental	Dale Bryk	Larry DeWitt						✓ Aaron Breidenbaugh	
Pace University	Public Power - Environmental	Edward Smeloff	Larry DeWitt						✓ Aaron Breidenbaugh	
Scenic Hudson	Public Power - Environmental								✓ Tom Rudebusch	
Bath Electric, Gas & Water Systems	Public Power - Munis & Co-ops	✓ Paul Pallas	Matthew Benesh	Jim Hamilton	Jack Brown	Ken Moore				
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	✓ Tom Rudebusch						
Village of Fairport	Public Power - Munis & Co-ops	Ken Moore	✓ Tom Rudebusch	✓ Paul Pallas						
Village of Freeport	Public Power - Munis & Co-ops	Hubert Bianco	Robert Kortright	Anthony Fiore					✓ Tom Rudebusch	
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			✓ Tom Rudebusch	
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					✓ N Mah, P Gioia
NY State Electric Gas (NYSEG)	Transmission Owners	Hank Masti	✓ Denis Wickham	Clifton Olson	✓ Laurie King-Pirchner	✓ Ray Kinney				✓ B Franey
Orange & Rockland, Inc.	Transmission Owners	None Assigned								
Rochester Gas & Electric	Transmission Owners	Clifton Olson	✓ Laurie King-Pirchner							
New Member	Non-voting	None Assigned								
New Member	Non-voting	None Assigned								
New Member	Non-voting	None Assigned								
New Member	Non-voting	None Assigned								

NYISO and Hunton & Williams Members in Attendance:

✓ Ira Freilicher	Hunton & Williams
✓ Kathy Robb	Hunton & Williams
✓ Belinda Thornton	NYISO
✓ Mike Calimano	NYISO
✓ Bill Museler	NYISO
✓ Chuck King	NYISO
✓ Mollie Lampi	NYISO
✓ Jonathan Mayo	NYISO
✓ Bob Ricketts	NYISO
✓ Elaine Robinson	NYISO
✓ Leigh Bullock	NYISO
✓ Ray Stalter	NYISO
✓ Dave Evanoski	NYISO
✓ Jane Lathrop	NYISO
✓ Ernie Cardone	NYISO
✓ John Charlton	NYISO
✓ Andy Hartshorn	NYISO/LECG
✓ David Patton	Potomac Economics

Key:

✓ = In attendance

New York Independent System Operator Management Committee - January 9, 2003

Motion: Motion #2

Result: Motion Passed

Sector with base percent	%	Active	Quorum	Adj. Percent	For	Against	Abstain	% For	% Against	
Generation Owners	21.5	✓	✓	21.50	7.00	0.00	0	21.50	0.00	
Other Suppliers	21.5	✓	✓	21.50	14.00	0.00	3	21.50	0.00	
Transmission Owners	20.0	✓	✓	20.00	3.00	1.00	0	15.00	5.00	
End Use Consumer			✓							
Large Consumer	9.0	✓		9.00	0.00	5.00	1	0.00	15.50	
Large Cons. Gov. Agency	2.0	✓		2.00	0.00	0.00	1	0.00	0.00	
Small Consumer	4.5	✓	✓	4.50	0.00	0.00	11	0.00	0.00	
Gov. State-wide Cons. Advocate	2.7	✓		2.70	0.00	0.00	1	0.00	0.00	
Gov. Sm. Cons. & Retail Aggr.	1.8	✓		1.80	1.00	0.00	1	4.50	0.00	
Public Power			✓							
State Power Authorities	8	✓		8.00	2.00	0.00	0	8.00	0.00	
Munis and Coops	7	✓		7.00	0.00	1.00	6	0.00	7.00	
Environmental	2	✓		2.00	5.00	0.00	0	2.00	0.00	
				5	100.00	32.00	7.00	24	72.50	27.50
					100.00	Normalized to 100% :		72.50	27.50	

New York Independent System Operator

Management Committee - January 9, 2003

Motion Motion #2

Sector	Organization	Representative	Affiliate	Present	For	Against
End Use - Gov. Agency/Aggr.	NYS Energy Research & Develop. Auth.	Jeffrey Gerber		y		
End Use - Gov. Agency/Aggr.	The City of New York	Michael Delaney		y	1.00	
End Use - Large Consumer	Alcoa/Reynolds Metals Company	Robert Loughney		y		1.00
End Use - Large Consumer	ATCO Management Co.	George Diamantopoulos		y		
End Use - Large Consumer	IBM Corporation	Robert Loughney		y		1.00
End Use - Large Consumer	Occidental Chemical Corp.	Robert Loughney		y		1.00
End Use - Large Consumer	Praxair Inc.	Robert Loughney		y		1.00
End Use - Large Consumer	Xerox Corporation	Robert Loughney		y		1.00
End Use - Large Cons. Gov.	Metropolitan Transportation Authority	Jesse Samberg		y		
End Use - Small Consumer	Association for Energy Affordability, Inc.	Aaron Breidenbaugh		y		
End Use - Small Consumer	Beth Israel Health Care System	John Dowling		y		
End Use - Small Consumer	Building and Realty Institute	Tariq Niazi		y		
End Use - Small Consumer	Citizens Advisory Panel	Aaron Breidenbaugh		y		
End Use - Small Consumer	CNYC Inc. (Council of NY Coop & Condo)	Tariq Niazi		y		
End Use - Small Consumer	Columbia University	John Dowling		y		
End Use - Small Consumer	Mount Sinai Medical Center	John Dowling		y		
End Use - Small Consumer	New York Energy Buyers Forum	Tariq Niazi		y		
End Use - Small Consumer	New York Presbyterian Hospital	John Dowling		y		
End Use - Small Consumer	New York University	John Dowling		y		
End Use - Small Consumer	Refined Sugars, Inc.	John Dowling		y		
End Use - State Agency	NY State Consumer Protection Board	Tariq Niazi		y		
Generation Owners	AES NY	Christopher Wentlent		y	1.00	
Generation Owners	American National Power, Inc.					
Generation Owners	Astoria Energy LLC					
Generation Owners	Calpine	Glenn Haake		y	1.00	
Generation Owners	East Coast Power		y			
Generation Owners	Edison Mission Marketing & Trading	William Roberts		y	1.00	
Generation Owners	Energy Nuclear Northeast	Marc Potkin		y	1.00	
Generation Owners	Indeck Energy Services	Mark Younger		y	1.00	
Generation Owners	KeySpan Ravenswood, LLC	James D'Andrea		y	1.00	
Generation Owners	Mirant New York, Inc.	Doreen Saia		y	1.00	
Generation Owners	Orion Power New York	John Reese	y	y		
Generation Owners	PG&E Generating					
Generation Owners	Sithe Energies, Inc.	Garry Brown	y	y		
Generation Owners	TransCanada Power Marketing					
Non-voting	Aaron Breidenbaugh	Aaron Breidenbaugh	y	y		
Non-voting	Caithness Energy, L.L.C		y			
Non-voting	Cianbro Corporation		y			
Non-voting	Energetx, Inc.		y			
Non-voting	Hudson River Energy Group		y			
Non-voting	NYS Department of Public Service		y			
Non-voting	The Structure Group		y			
Non-voting	William P. Short	Roberto Denis	y	y		
Other Suppliers	1st Rochdale Cooperative NYC					
Other Suppliers	Advantage Energy, Inc.					
Other Suppliers	Amerada Hess Corporation	Blas Hernandez		y		
Other Suppliers	American Electric Power (AEP) Srvc. Corp.					
Other Suppliers	Aquila Energy Marketing Corp.	Susan Chamberlin		y		
Other Suppliers	Cinergy Capital and Trading					
Other Suppliers	Con Edison Energy		y			
Other Suppliers	Con Edison Solutions	Stephen Wemple	y	y		
Other Suppliers	Connectiv					
Other Suppliers	Constellation New Energy Inc.		y			
Other Suppliers	Constellation Power Source	Glen McCartney		y	1.00	
Other Suppliers	Coral Power, LLC	Matt Picardi		y	1.00	
Other Suppliers	Dominion Energy Marketing, Inc.	Michael Bekker		y	1.00	
Other Suppliers	Duke Energy North America, LLC					
Other Suppliers	Dynergy	Chris Moser		y	1.00	
Other Suppliers	El Paso Merchant Energy	Russel Like		y	1.00	
Other Suppliers	Exelon Generation - Power Team	Linda Clarke		y	1.00	
Other Suppliers	FPL Energy	Roberto Denis		y	1.00	
Other Suppliers	HQ Energy Services					
Other Suppliers	KeySpan Energy Services		y			
Other Suppliers	Morgan Stanley Capital Group					
Other Suppliers	NRG Power Marketing	Frank Rapley		y	1.00	
Other Suppliers	NU / Select Energy	James Scheiderich		y	1.00	
Other Suppliers	Ontario Power Generation Inc.	Barry Green		y	1.00	
Other Suppliers	PP&L Energy Plus	David Yannarell		y	1.00	
Other Suppliers	PSEG Energy Resources & Trade	Howard Fromer		y	1.00	
Other Suppliers	Reliant Energy Services, Inc.	John Reese		y	1.00	
Other Suppliers	Sempra Energy Trading	Tom Halleran		y	1.00	
Other Suppliers	Strategic Energy LLC					
Other Suppliers	Strategic Power Management, Inc.	Dan Duthie		y		
Other Suppliers	Transalta (formerly MEGA)					
Other Suppliers	TransEnergie U.S. Ltd.		y			
Other Suppliers	Williams Energy Marketing & Trading Co.					
Public Power - Authorities	Long Island Power Authority	Jim Parmelee		y	1.00	
Public Power - Authorities	New York Power Authority	William Palazzo		y	1.00	
Public Power - Environmental	American Wind Energy Association	Aaron Breidenbaugh		y	1.00	
Public Power - Environmental	Environmental Advocates	Aaron Breidenbaugh		y	1.00	
Public Power - Environmental	Nat'l Resources Defense Council	Aaron Breidenbaugh		y	1.00	
Public Power - Environmental	Pace University	Aaron Breidenbaugh		y	1.00	
Public Power - Environmental	Scenic Hudson	Aaron Breidenbaugh		y	1.00	
Public Power - Munis & Co-ops	Bath Electric, Gas & Water Systems	Paul Pallas		y		
Public Power - Munis & Co-ops	City of Jamestown Board of Pub. Util.	Michael Darroch		y		
Public Power - Munis & Co-ops	Plattsburgh Municipal Lighting Dept.	Paul Pallas		y		
Public Power - Munis & Co-ops	Village of Fairport	Tom Rudebusch		y		
Public Power - Munis & Co-ops	Village of Freeport	Hubert Bianco		y		1.00
Public Power - Munis & Co-ops	Village of Rockville Centre	Paul Pallas		y		
Public Power - Munis & Co-ops	Village of Westfield	Paul Pallas		y		
Transmission Owners	Central Hudson Gas & Electric	Charles Freni		y	1.00	
Transmission Owners	Consolidated Edison	Terry Agriss		y	1.00	
Transmission Owners	National Grid	Jerry Ancona		y		1.00
Transmission Owners	NY State Electric Gas (NYSEG)	Laurie King-Pirchner		y	1.00	
Transmission Owners	Orange & Rockland, Inc.		y			
Transmission Owners	Rochester Gas & Electric	Laurie King-Pirchner	y	y		

New York Independent System Operator Management Committee - January 9, 2003

Motion: Motion #3

Result: Motion Failed

Sector with base percent	%	Active	Quorum	Adj. Percent	For	Against	Abstain	% For	% Against		
Generation Owners	21.5	✓	✓	21.50	7.00	0.00	0	21.50	0.00		
Other Suppliers	21.5	✓	✓	21.50	10.00	4.00	4	15.36	6.14		
Transmission Owners	20.0	✓	✓	20.00	0.00	4.00	0	0.00	20.00		
End Use Consumer			✓								
Large Consumer	9.0	✓		9.00	0.00	6.00	0	0.00	9.00		
Large Cons. Gov. Agency	2.0	✓		2.00	0.00	1.00	0	0.00	2.00		
Small Consumer	4.5	✓	✓	4.50	0.00	11.00	0	0.00	4.50		
Gov. State-wide Cons. Advocate	2.7	✓		2.70	0.00	1.00	0	0.00	2.70		
Gov. Sm. Cons. & Retail Aggr.	1.8	✓		1.80	0.00	2.00	0	0.00	1.80		
Public Power			✓								
State Power Authorities	8	✓		8.00	0.00	2.00	0	0.00	8.00		
Munis and Coops	7	✓		7.00	0.00	7.00	0	0.00	7.00		
Environmental	2	✓		2.00	1.00	4.00	0	0.40	1.60		
					5	100.00	18.00	42.00	4	37.26	62.74
						100.00	Normalized to 100% :			37.26	62.74

**New York Independent System Operator
Management Committee - January 9, 2003**

**Motion
Motion #3**

Sector	Organization	Representative	Affiliate	Present	For	Against
End Use - Gov. Agency/Aggr.	NYS Energy Research & Develop. Auth.	Jeffrey Gerber		y		1.00
End Use - Gov. Agency/Aggr.	The City of New York	Michael Delaney		y		1.00
End Use - Large Consumer	Alcoa/Reynolds Metals Company	Robert Loughney		y		1.00
End Use - Large Consumer	ATCO Management Co.	George Diamantopoulos		y		1.00
End Use - Large Consumer	IBM Corporation	Robert Loughney		y		1.00
End Use - Large Consumer	Occidental Chemical Corp.	Robert Loughney		y		1.00
End Use - Large Consumer	Praxair Inc.	Robert Loughney		y		1.00
End Use - Large Consumer	Xerox Corporation	Robert Loughney		y		1.00
End Use - Large Cons. Gov.	Metropolitan Transportation Authority	Jesse Samberg		y		1.00
End Use - Small Consumer	Association for Energy Affordability, Inc.	Aaron Breidenbaugh		y		1.00
End Use - Small Consumer	Beth Israel Health Care System	John Dowling		y		1.00
End Use - Small Consumer	Building and Realty Institute	Tariq Niazi		y		1.00
End Use - Small Consumer	Citizens Advisory Panel	Aaron Breidenbaugh		y		1.00
End Use - Small Consumer	CNYC Inc. (Council of NY Coop & Condo)	Tariq Niazi		y		1.00
End Use - Small Consumer	Columbia University	John Dowling		y		1.00
End Use - Small Consumer	Mount Sinai Medical Center	John Dowling		y		1.00
End Use - Small Consumer	New York Energy Buyers Forum	Tariq Niazi		y		1.00
End Use - Small Consumer	New York Presbyterian Hospital	John Dowling		y		1.00
End Use - Small Consumer	New York University	John Dowling		y		1.00
End Use - Small Consumer	Refined Sugars, Inc.	John Dowling		y		1.00
End Use - State Agency	NY State Consumer Protection Board	Tariq Niazi		y		1.00
Generation Owners	AES NY	Christopher Wentlent		y	1.00	
Generation Owners	American National Power, Inc.					
Generation Owners	Astoria Energy LLC					
Generation Owners	Calpine	Glenn Haake		y	1.00	
Generation Owners	East Coast Power		y			
Generation Owners	Edison Mission Marketing & Trading	William Roberts		y	1.00	
Generation Owners	Entergy Nuclear Northeast	Marc Potkin		y	1.00	
Generation Owners	Indeck Energy Services	Mark Younger		y	1.00	
Generation Owners	KeySpan Ravenswood, LLC	James D'Andrea		y	1.00	
Generation Owners	Mirant New York, Inc.	Doreen Saia		y	1.00	
Generation Owners	Orion Power New York	John Reese	y	y		
Generation Owners	PG&E Generating					
Generation Owners	Sithe Energies, Inc.	Garry Brown	y	y		
Generation Owners	TransCanada Power Marketing					
Non-voting	Aaron Breidenbaugh	Aaron Breidenbaugh	y	y		
Non-voting	Caithness Energy, L.L.C		y			
Non-voting	Cianbro Corporation		y			
Non-voting	Energetix, Inc.		y			
Non-voting	Hudson River Energy Group		y			
Non-voting	NYS Department of Public Service		y			
Non-voting	The Structure Group		y			
Non-voting	William P. Short	Roberto Denis	y	y		
Other Suppliers	1st Rochdale Cooperative NYC					
Other Suppliers	Advantage Energy, Inc.					
Other Suppliers	Amerada Hess Corporation	Blas Hernandez		y		
Other Suppliers	American Electric Power (AEP) Srvc. Corp.					
Other Suppliers	Aquila Energy Marketing Corp.	Susan Chamberlin		y		
Other Suppliers	Cinergy Capital and Trading					
Other Suppliers	Con Edison Energy		y			
Other Suppliers	Con Edison Solutions	Stephen Wemple	y	y		
Other Suppliers	Conectiv					
Other Suppliers	Constellation New Energy Inc.		y			
Other Suppliers	Constellation Power Source	Glen McCartney		y	1.00	
Other Suppliers	Coral Power, LLC	Glenn Haake		y	1.00	
Other Suppliers	Dominion Energy Marketing, Inc.	Michael Bekker		y		
Other Suppliers	Duke Energy North America, LLC					
Other Suppliers	Dynegy	Chris Moser		y	1.00	
Other Suppliers	El Paso Merchant Energy	Russel Like		y	1.00	
Other Suppliers	Exelon Generation - Power Team	Linda Clarke		y	1.00	
Other Suppliers	FPL Energy	Roberto Denis		y	1.00	
Other Suppliers	HQ Energy Services					
Other Suppliers	KeySpan Energy Services		y			
Other Suppliers	Morgan Stanley Capital Group					
Other Suppliers	NRG Power Marketing	Frank Rapley		y	1.00	
Other Suppliers	NU / Select Energy	Bob Loughney		y	1.00	
Other Suppliers	Ontario Power Generation Inc.	Barry Green		y	1.00	
Other Suppliers	PP&L Energy Plus	David Yannarell		y	1.00	
Other Suppliers	PSEG Energy Resources & Trade	Howard Fromer		y	1.00	
Other Suppliers	Reliant Energy Services, Inc.	John Reese		y	1.00	
Other Suppliers	Sempra Energy Trading	Tom Halleran		y		
Other Suppliers	Strategic Energy LLC	Francis Pullaro		y	1.00	
Other Suppliers	Strategic Power Management, Inc.	Dan Duthie		y	1.00	
Other Suppliers	Transalta (formerly MEGA)					
Other Suppliers	TransEnergie U.S. Ltd.		y			
Other Suppliers	Williams Energy Marketing & Trading Co.					
Public Power - Authorities	Long Island Power Authority	Jim Parmelee		y	1.00	
Public Power - Authorities	New York Power Authority	William Palazzo		y	1.00	
Public Power - Environmental	American Wind Energy Association	Aaron Breidenbaugh		y	1.00	
Public Power - Environmental	Environmental Advocates	Aaron Breidenbaugh		y	1.00	
Public Power - Environmental	Nat'l Resources Defense Council	Aaron Breidenbaugh		y	1.00	
Public Power - Environmental	Pace University	Aaron Breidenbaugh		y	1.00	
Public Power - Environmental	Scenic Hudson	Aaron Breidenbaugh		y	1.00	
Public Power - Munis & Co-ops	Bath Electric, Gas & Water Systems	Paul Pallas		y	1.00	
Public Power - Munis & Co-ops	City of Jamestown Board of Pub. Util.	Michael Darroch		y	1.00	
Public Power - Munis & Co-ops	Plattsburgh Municipal Lighting Dept.	Paul Pallas		y	1.00	
Public Power - Munis & Co-ops	Village of Fairport	Tom Rudebusch		y	1.00	
Public Power - Munis & Co-ops	Village of Freeport	Tom Rudebusch		y	1.00	
Public Power - Munis & Co-ops	Village of Rockville Centre	Paul Pallas		y	1.00	
Public Power - Munis & Co-ops	Village of Westfield	Paul Pallas		y	1.00	
Transmission Owners	Central Hudson Gas & Electric	Charles Freni		y	1.00	
Transmission Owners	Consolidated Edison	Terry Agriss		y	1.00	
Transmission Owners	National Grid	Jerry Ancona		y	1.00	
Transmission Owners	NY State Electric Gas (NYSEG)	Laurie King-Pirchner		y	1.00	
Transmission Owners	Orange & Rockland, Inc.		y			
Transmission Owners	Rochester Gas & Electric	Laurie King-Pirchner	y	y		

New York Independent System Operator Management Committee - January 9, 2003

Motion: Motion #4

Result: Motion Failed

Sector with base percent	%	Active	Quorum	Adj. Percent	For	Against	Abstain	% For	% Against		
Generation Owners	21.5	✓	✓	21.50	6.00	0.00	1	21.50	0.00		
Other Suppliers	21.5	✓	✓	21.50	12.00	3.00	3	17.20	4.30		
Transmission Owners	20.0	✓	✓	20.00	0.00	4.00	0	0.00	20.00		
End Use Consumer			✓								
Large Consumer	9.0	✓		9.00	0.00	6.00	0	0.00	9.00		
Large Cons. Gov. Agency	2.0	✓		2.00	0.00	1.00	0	0.00	2.00		
Small Consumer	4.5	✓	✓	4.50	0.00	11.00	0	0.00	4.50		
Gov. State-wide Cons. Advocate	2.7	✓		2.70	0.00	1.00	0	0.00	2.70		
Gov. Sm. Cons. & Retail Aggr.	1.8	✓		1.80	0.00	2.00	0	0.00	1.80		
Public Power			✓								
State Power Authorities	8	✓		8.00	2.00	0.00	0	8.00	0.00		
Munis and Coops	7	✓		7.00	0.00	7.00	0	0.00	7.00		
Environmental	2	✓		2.00	1.00	4.00	0	0.40	1.60		
					5	100.00	21.00	39.00	4	47.10	52.90
						100.00	Normalized to 100% :			47.10	52.90

New York Independent System Operator

Management Committee - January 9, 2003

Motion

Motion #4

Sector	Organization	Representative	Affiliate	Present	For	Against
End Use - Gov. Agency/Aggr.	NYS Energy Research & Develop. Auth.	Jeffrey Gerber		y		1.00
End Use - Gov. Agency/Aggr.	The City of New York	Michael Delaney		y		1.00
End Use - Large Consumer	Alcoa/Reynolds Metals Company	Robert Loughney		y		1.00
End Use - Large Consumer	ATCO Management Co.	George Diamantopoulos		y		1.00
End Use - Large Consumer	IBM Corporation	Robert Loughney		y		1.00
End Use - Large Consumer	Occidental Chemical Corp.	Robert Loughney		y		1.00
End Use - Large Consumer	Praxair Inc.	Robert Loughney		y		1.00
End Use - Large Consumer	Xerox Corporation	Robert Loughney		y		1.00
End Use - Large Cons. Gov.	Metropolitan Transportation Authority	Jesse Samberg		y		1.00
End Use - Small Consumer	Association for Energy Affordability, Inc.	Aaron Breidenbaugh		y		1.00
End Use - Small Consumer	Beth Israel Health Care System	John Dowling		y		1.00
End Use - Small Consumer	Building and Realty Institute	Tariq Niazi		y		1.00
End Use - Small Consumer	Citizens Advisory Panel	Aaron Breidenbaugh		y		1.00
End Use - Small Consumer	CNYC Inc. (Council of NY Coop & Condo)	Tariq Niazi		y		1.00
End Use - Small Consumer	Columbia University	John Dowling		y		1.00
End Use - Small Consumer	Mount Sinai Medical Center	John Dowling		y		1.00
End Use - Small Consumer	New York Energy Buyers Forum	Tariq Niazi		y		1.00
End Use - Small Consumer	New York Presbyterian Hospital	John Dowling		y		1.00
End Use - Small Consumer	New York University	John Dowling		y		1.00
End Use - Small Consumer	Refined Sugars, Inc.	John Dowling		y		1.00
End Use - State Agency	NY State Consumer Protection Board	Tariq Niazi		y		1.00
Generation Owners	AES NY	Christopher Wentlent		y	1.00	
Generation Owners	American National Power, Inc.					
Generation Owners	Astoria Energy LLC					
Generation Owners	Calpine	Glenn Haake		y	1.00	
Generation Owners	East Coast Power		y			
Generation Owners	Edison Mission Marketing & Trading	William Roberts		y	1.00	
Generation Owners	Entergy Nuclear Northeast	Marc Potkin		y	1.00	
Generation Owners	Indeck Energy Services	Mark Younger		y	1.00	
Generation Owners	KeySpan Ravenswood, LLC	James D'Andrea		y		
Generation Owners	Mirant New York, Inc.	Doreen Saia		y	1.00	
Generation Owners	Orion Power New York	John Reese	y	y		
Generation Owners	PG&E Generating					
Generation Owners	Sithe Energies, Inc.	Garry Brown	y	y		
Generation Owners	TransCanada Power Marketing					
Non-voting	Aaron Breidenbaugh	Aaron Breidenbaugh	y	y		
Non-voting	Caithness Energy, L.L.C		y			
Non-voting	Cianbro Corporation		y			
Non-voting	Energetix, Inc.		y			
Non-voting	Hudson River Energy Group		y			
Non-voting	NYS Department of Public Service		y			
Non-voting	The Structure Group		y			
Non-voting	William P. Short	Roberto Denis	y	y		
Other Suppliers	1st Rochdale Cooperative NYC					
Other Suppliers	Advantage Energy, Inc.					
Other Suppliers	Amerada Hess Corporation	Blas Hernandez		y		
Other Suppliers	American Electric Power (AEP) Srvc. Corp.					
Other Suppliers	Aquila Energy Marketing Corp.	Susan Chamberlin		y		
Other Suppliers	Cinergy Capital and Trading					
Other Suppliers	Con Edison Energy			y		
Other Suppliers	Con Edison Solutions	Stephen Wemple	y	y		
Other Suppliers	Conectiv					
Other Suppliers	Constellation New Energy Inc.		y			
Other Suppliers	Constellation Power Source	Glen McCartney		y	1.00	
Other Suppliers	Coral Power, LLC	Glenn Haake		y	1.00	
Other Suppliers	Dominion Energy Marketing, Inc.	Michael Bekker		y	1.00	
Other Suppliers	Duke Energy North America, LLC					
Other Suppliers	Dynegy	Chris Moser		y	1.00	
Other Suppliers	El Paso Merchant Energy	Russel Like		y	1.00	
Other Suppliers	Exelon Generation - Power Team	Linda Clarke		y	1.00	
Other Suppliers	FPL Energy	Roberto Denis		y	1.00	
Other Suppliers	HQ Energy Services					
Other Suppliers	KeySpan Energy Services		y			
Other Suppliers	Morgan Stanley Capital Group					
Other Suppliers	NRG Power Marketing	Frank Rapley		y	1.00	
Other Suppliers	NU / Select Energy	Bob Loughney		y		1.00
Other Suppliers	Ontario Power Generation Inc.	Barry Green		y	1.00	
Other Suppliers	PP&L Energy Plus	David Yannarell		y	1.00	
Other Suppliers	PSEG Energy Resources & Trade	Howard Fromer		y	1.00	
Other Suppliers	Reliant Energy Services, Inc.	John Reese		y	1.00	
Other Suppliers	Sempra Energy Trading	Tom Halleran		y		
Other Suppliers	Strategic Energy LLC	Francis Pullaro		y		1.00
Other Suppliers	Strategic Power Management, Inc.	Dan Duthie		y		1.00
Other Suppliers	Transalta (formerly MEGA)					
Other Suppliers	TransEnergie U.S. Ltd.		y			
Other Suppliers	Williams Energy Marketing & Trading Co.					
Public Power - Authorities	Long Island Power Authority	Jim Parmelee		y	1.00	
Public Power - Authorities	New York Power Authority	William Palazzo		y	1.00	
Public Power - Environmental	American Wind Energy Association	Aaron Breidenbaugh		y	1.00	
Public Power - Environmental	Environmental Advocates	Aaron Breidenbaugh		y		1.00
Public Power - Environmental	Nat'l Resources Defense Council	Aaron Breidenbaugh		y		1.00
Public Power - Environmental	Pace University	Aaron Breidenbaugh		y		1.00
Public Power - Environmental	Scenic Hudson	Aaron Breidenbaugh		y		1.00
Public Power - Munis & Co-ops	Bath Electric, Gas & Water Systems	Paul Pallas		y		1.00
Public Power - Munis & Co-ops	City of Jamestown Board of Pub. Util.	Michael Darroch		y		1.00
Public Power - Munis & Co-ops	Plattsburgh Municipal Lighting Dept.	Paul Pallas		y		1.00
Public Power - Munis & Co-ops	Village of Fairport	Tom Rudebusch		y		1.00
Public Power - Munis & Co-ops	Village of Freeport	Tom Rudebusch		y		1.00
Public Power - Munis & Co-ops	Village of Rockville Centre	Paul Pallas		y		1.00
Public Power - Munis & Co-ops	Village of Westfield	Paul Pallas		y		1.00
Transmission Owners	Central Hudson Gas & Electric	Charles Freni		y		1.00
Transmission Owners	Consolidated Edison	Terry Agriss		y		1.00
Transmission Owners	National Grid	Jerry Ancona		y		1.00
Transmission Owners	NY State Electric Gas (NYSEG)	Laurie King-Pirchner		y		1.00
Transmission Owners	Orange & Rockland, Inc.		y			
Transmission Owners	Rochester Gas & Electric	Laurie King-Pirchner	y	y		