

NYISO Management Committee Meeting

October 11, 2005

Desmond Hotel
Albany, NY

Draft MINUTES OF THE MEETING

1. Introduction and Meeting Objectives

Larry Dewitt of PACE Energy Project, Chairman, called the meeting to order at 10 A.M and welcomed the members of the Management Committee ("MC"). Meeting objectives are to:

- Act on the August 10, 2005 and September 7, 2005 minutes
- Act on MC By-Laws Sub-Committee Proposal for Board Member Selection
- Act on Proposed Voltage Support Service Revision
- Act on Proposed Local Black Start & System Restoration program for O&R and Central Hudson.
- Act on Self-Supply of Reserves Proposal

2. Approval of the Minutes

Motion #1:

*Motion to approve the Minutes of August 10, 2005 meeting
(Motion Passed unanimously.)*

Motion #2

Motion to approve the minutes of the September 7, 2005 meeting.
(Motion passed unanimously)

Stewart Nachmias of Consolidated Edison proposed modifying the September 7th minutes, as agreed to by Doreen Saia representing Mirant, in the redlined comments the words "Number of MW to number of units". The minutes were approved with these revisions.

3. President's Report

Mark Lynch, President and CEO NYISO, presented the President's Report. Mr. Lynch reported that the average LBMP and fuel costs have increased this month relative to August while uplift and real time price volatility have decreased, also relative to August.

~~Ray Kinney of NYSEG/RG&E~~ Jim Scheiderich of Select Energy asked if the NYISO is evaluating the availability of natural gas for this winter and any reliability related issues. Mr. Lynch replied that the NYISO has a joint agreement with New England ISO (“NE-ISO”) and PJM to evaluate gas supply and infrastructure for the region. The NYISO has also commissioned a study with Levitan & Associates, which will be available in late October or early November. An internal analysis was also performed by the NYISO to assess the effects of hurricanes Katrina and Rita. It was noted that gas supply should not be affected; however, prices will be.

Tim Bush of Navigant Consulting, representing the New York Municipal Utility Association of New York asked if the NYISO had looked into why there hasn’t been a more significant reduction in uplift. Mr. Lynch responded that the NYISO has not done such an analysis but would be willing to do so.

The TCC settlement audit is proceeding and any issues identified are corrected. Mr. Lynch reminded the MC that the annual sector confirmation is due no later than November 30, 2005. Letters may be mailed in hardcopy or sent electronically to bullock@nyiso.com. Mr. Lynch also responded to several questions taken as action items at the last MC meeting.

Glenn Haake of IPPNY and Doreen Saia of Mirant requested that the NYISO schedule a series of meetings to discuss developing policies and procedures for retiring generators.

4. Billing Issues Update

Charles Garber, CFO NYISO, presented the Billing Issues Update. Mr. Garber gave a brief update on final bill closeouts, noting that a total of 19 months have been closed out to date. On October 6, the August 2000 and July through October 2001 final bills were posted for the 30-day review by Market Participants. When invoiced in November, this will complete the closeout of final bills for the first two years of NYISO operations.

5. MC By-Laws Subcommittee Proposal for Board Member Selection and Initiation of Process

Neil Butterklee of Con Edison presented the MC By-laws Subcommittee’s proposal for Board Member selection and initiation of the process. The ISO Agreement provides that in the event of a vacancy on the NYISO Board, the MC shall assist the Board in the selection of a new Board member. The proposed amendment by the By-Laws Subcommittee provides for a Board Selection Subcommittee (“BSSC”) with each sector providing two representatives to the BSSC. The BSSC will strive to select a list of candidates that will be acceptable to both the MC and the Board. In order for a candidate to be recommended to the MC, a total of six affirmative votes are needed at the BSSC. Under the MC process, discussion and voting will be done in Executive Session. Voting will be done via secret ballot with a candidate needing 58% to be recommended to the NYISO Board of Directors.

Motion #3

The Management Committee hereby agrees to approve and adopt the amendment to its By-Laws as presented at the October 11, 2005 Management Committee meeting.
(Motion passed by show of hands with one vote against: DC Energy)

Motion #4

Pursuant to Section 9.02 of the recently approved amendment to the Management Committee By-Laws, the Management Committee hereby activates the Board Selection Sub-Committee ("BSSC") and requests that each sector designate its two BSSC representatives and two BSSC alternate representatives no later than October 18. The names of these representatives and alternate representatives should be submitted to the Chair of the Management Committee.

(Motion passed by show of hands with one abstention: DC Energy)

6. Proposed Local Black Start & System Restoration Program

Gina Fedele of Hunton and Williams reported that the motion and presentation on the proposed Local Black Start & System Restoration Program is being withdrawn. Ms. Fedele commented that the reason for the withdrawal is that every utility that has a local black start or system restoration program has the prerogative to name or to remove resources from that program. Therefore the motion, which was crafted to apply the same proposal to the Upstate utilities and their black start providers as was agreed to for the Consolidated Edison transmission district, is being withdrawn.

7. Self-Supply of Reserves Proposal

Bob Thompson of the NYISO presented the proposal on Self-Supply of Operating Reserves.

Howard Fromer of PSEG expressed concern that there is no mention in the motion that that the draft tariff language revision would be circulated to Market Participants for comment and review and will require unanimous approval by Committee Chairs and Vice-Chairs. The NYISO agreed to circulate the modification to Market Participants for comment and review as suggested by Mr. Fromer.

Kevin Jones of LIPA suggested dropping, in the last paragraph, the mention of Eastern and Western before the word reserves in order for LIPA to support this motion and it was accepted as a friendly amendment.

Motion #5

WHEREAS: The NYISO and its market participants have been discussing self supply of operating reserves since 2000. These discussions have, at various times, included discussions of possible designs for physical self supply options.

WHEREAS: The Management Committee is of the opinion that physical self supply is not a necessary option for the New York Market at this time. Designing a physical self supply option within the basic framework of the New York Market would be a complex and time consuming process. Although no option should be completely discarded as unwarranted, we believe that further exploration of physical self supply options at this time would be unproductive and unnecessary.

WHEREAS: The NYISO and its market participants are exploring the need to enhance or expand upon the two financial self supply options that are currently available under the NYISO's Market Administration and Control Area Services Tariff, Rate Schedule 4.

WHEREAS: The Management Committee concurs with the NYISO's current plan to continue to evaluate operating reserves price data and other market and system information for the purpose of making a recommendation to the market participants in 2006 on whether another financial self supply option(s) is necessary. Based on such recommendation and the results of the underlying analysis, the market participants will decide in 2006 whether they choose to proceed with the design of an enhanced self supply option.

WHEREAS: The Management Committee encourages the Commission to allow the New York market to continue its analysis of the need for another financial self supply option and allow it to end, for now, any further effort towards a design of a physical self supply option for operating reserves.

NOW, THEREFORE, IT IS MOVED THAT the Management Committee approves amendments to the current tariff to clarify that physical self supply is not available in the New York Market at this time and identifying the two financial options that are currently noted in the tariff as the only presently available self-supply options.

The Management Committee also requests that the NYISO continue to monitor the price differentials between east and west and further analyze the production costs savings as identified in the LECG Report presented to the 9/21/05 BIC and make a recommendation in 2006 on the need for a further financial hedge and/or locational reserve settlements.

The Management Committee also recommends that if a further financial hedge is determined by the NYISO and its stakeholders to be necessary, that the NYISO include in the development of that hedge an evaluation of the feasibility, costs and benefits of optimizing transmission capacity for reserves. Any improvement in the reserve cost hedging mechanism that would contain a move to locational settlements would also have to address the potential need for transmission optimization at that time.

(Motion passed by show of hands with abstentions from: Multiple Intervenors, Coral Power, Keyspan Ravenswood)

8. Proposed Voltage Support Service Revisions

Carl Patka of the NYISO presented background information on the voltage support service revisions that had been discussed at the Market Structures Working Group and the BIC. Mr. Patka summarized the characteristics of the proposal where there was general consensus among the working group in addition to several issues that were still under discussion.

Mark Younger of Slater Consulting reviewed a presentation that he had previously given to the Business Issues Committee in support of the inflation component proposed by suppliers of the VSS service.

Mr. Kinney commented that the underlying dollars associated with the revenue requirement were somewhat questionable. Application of an inflation rate may have some validity but it is uncertain what that rate should be since there are Transmission

Owners questioning the basis of the historical \$61 million that is being used as a starting point.

Doreen Saia commented that while an inflation factor could justifiably be put forward for all four years, the current proposal is asking for only two years of inflation, which on a compounded basis is approximately a 6 percent increase, instead of just over 12 percent.

Following this discussion, a motion was made by Glenn Haake and seconded by Doreen Saia. Subsequent to the initial motion being made, Mr. Ancona proposed an unfriendly amendment to Mr. Haake's motion which was seconded by Kevin Jones. Ms. Saia expressed concerns over the language of Mr. Ancona's unfriendly amendment and suggested a modification to the amendment to ensure that the language clearly defines what needs to be accomplished. The language was incorporated as a friendly amendment into the motion.

Motion # 6a

The Management Committee (MC) hereby approves revisions to the NYISO Voltage Support Service program, as noted below, and recommends that the Board of Directors support a tariff filing to implement these changes:

1. To move to Net Lagging at the point of interconnection compensation measurement
2. To provide clarification of testing requirements, as presented to the Business Issues Committee at the August 24th meeting
3. To the extent that a supplier does not have access to data from a net MVAR meter, to require the NYISO to calculate a value based upon a gross MVAR reading at the unit at issue and an established power flow calculation
4. To revise the 2006 revenue requirement and the annual revenue requirement for future years for this service as follows:
 - a. Update the 2001 revenue requirement to reflect new additions and retirements as of October 31, 2005 (the "Updated Requirement");
 - b. Apply a 3 percent annual inflation component to the Updated Requirement to reflect inflationary impacts associated with 2004 and 2005; and
 - c. At the end of each year, use the inflation index method that has been determined by the MSWG and approved by the BIC in accordance with the six month process set forth below to determine the inflation factor that reflects the actual inflation rate for that year and adjust the then existing dollar per MVAR rate accordingly for the upcoming year.
5. Add a new provision to Rate Schedule 2 that creates comparable payment

terms for merchant non-generator dynamic VAR sources that are interconnected to the transmission system. These provisions would include:

- a. Prorated VSS payment for energized hours for VAR capability measured at full real power flow
 - b. No lost opportunity cost payments and no requirement that the source change real power schedules; except that nothing in this motion shall be construed to change existing protocols between the New England ISO and the New York ISO
 - c. Interim testing procedures that allow facilities to test out of period
6. Delete, as presented to the BIC on September 21st, the section from Rate Schedule 2 that requires Voltage Service payments to Non-Utility Generators (“NUGs”) operating under existing power purchase agreements to be provided to the entity purchasing the NUG’s Energy or Capacity, unless otherwise stipulated by that entity

In addition the MC directs that MSWG develop a proposal for BIC and MC action within 6 months that includes the following:

- a. Review of the base compensation amount for VSS providers under Rate Schedule 2 and whether, and, if so, how, the base amount of Rate Schedule 2 should be adjusted on an annual basis.
- b. Determination of the preferred method (in terms of fairness, simplicity and feasibility) to allocate VSS costs to loads based on system needs and locational reactive power requirements
- c. The appropriateness of payment for the costs of energy consumed and any startup costs for non-generator VAR sources

Finally, the MC directs that, as part of the triennial process for resetting the ICAP demand curves, the NYISO shall evaluate whether the gas turbine that represents the proxy for the cost of new entry should include the equipment necessary to provide, and would be capable of providing, voltage support service, and, if so, the expected net revenues associated with the rendition of that service should be included in the ancillary service revenues calculated for the gas turbine.

(Motion failed with 50.87 percent affirmative votes)

Motion # 6b

Motion to amend original Motion 6a as follows:

The Management Committee (MC) hereby approves revisions to the NYISO Voltage Support Service program, as noted below, and recommends that the Board of Directors support a tariff filing to implement these changes:

1. To move to Net Lagging at the point of interconnection compensation measurement
2. To provide clarification of testing requirements, as presented to the Business Issues Committee at the August 24th meeting
3. To the extent that a supplier does not have access to data from a net MVAR meter, to require the NYISO to calculate a value based upon a gross MVAR reading at the unit at issue and an established power flow calculation
4. To revise the 2006 revenue requirement and the annual revenue requirement for future years for this service as follows:
 - a. Update the 2001 revenue requirement to reflect new additions and retirements as of October 31, 2005 (the "Updated Requirement");
 - b. Apply a 3 percent annual inflation component to the Updated Requirement to reflect inflationary impacts associated with 2004 and 2005; and
 - c. At the end of each year, use the inflation index method that has been determined by the MSWG and approved by the BIC in accordance with the six month process set forth below to determine the inflation factor that reflects the actual inflation rate for that year and adjust the then existing dollar per MVAR rate accordingly for the upcoming year.
5. Add a new provision to Rate Schedule 2 that creates comparable payment terms for merchant non-generator dynamic VAR sources that are interconnected to the transmission system. These provisions would include:
 - a. Prorated VSS payment for energized hours for VAR capability measured at full real power flow
 - b. No lost opportunity cost payments and no requirement that the source change real power schedules; except that nothing in this motion shall be construed to change existing protocols between the New England ISO and the New York ISO
 - c. Interim testing procedures that allow facilities to test out of period
6. Delete, as presented to the BIC on September 21st, the section from Rate Schedule 2 that requires Voltage Service payments to Non-Utility Generators ("NUGs") operating under existing power purchase agreements to be provided to the entity purchasing the NUG's Energy or Capacity, unless otherwise stipulated by that entity

In addition the MC directs that MSWG develop a proposal for BIC and MC action within 6 months that includes the following:

- a. Review of the base compensation amount for VSS providers under Rate Schedule 2 and whether, and, if so, how, the base amount of Rate Schedule 2 should be adjusted on an annual basis.

b. Determination of the preferred method (in terms of fairness, simplicity and feasibility) to allocate VSS costs to loads based on system needs and locational reactive power requirements

c. The appropriateness of payment for the costs of energy consumed and any startup costs for non-generator VAR sources

Finally, the MC directs that, as part of the triennial process for resetting the ICAP demand curves, the NYISO shall evaluate whether the gas turbine that represents the proxy for the cost of new entry should include the equipment necessary to provide, and would be capable of providing, voltage support service, and, if so, the expected net revenues associated with the rendition of that service should be included in the ancillary service revenues calculated for the gas turbine.

Hold items 4b and 4c in abeyance pending completion of additional study on these items by March 31, 2006 to be developed, reviewed and reported on by the MSWG with the stipulation that subsequent approval by the MC of a cost adjustment factor applied to the 2002 base rate would be made retroactive to January 1, 2006 or such other measures would be adopted to ensure that suppliers received a total payment for calendar year 2006 equal to what they would have received if the cumulative cost adjustment factor, if any, had commenced on January 1, 2006.

(Motion failed with 52.73 percent affirmative votes)

Following the failure of the amended and original motion, a potential motion was suggested by Mr. Patka to extend the voltage support service program through March 31, 2006. The motion was moved by Jerry Ancona and seconded by Stewart Nachmias.

Motion # 6c

Secondary Motion re: Extension of Voltage Support Service Program through March 31, 2006:

WHEREAS, the Market Participants at the Market Structures Working Group of the New York Independent System Operator (NYISO) discussed modifications to rates, terms and conditions of the Voltage Support Service compensation in Rate Schedule 2 of the Services Tariff;

WHEREAS, the Market Participants at the Business Issues Committee did not approve various motions addressed to these issues, and additional time is desired for their resolution;

WHEREAS, the Voltage Support Service rate in Rate Schedule 2 shall expire by its own terms on December 31, 2005, leaving no basis for compensation to providers of voltage support in New York State

NOW, THEREFORE, the Management Committee of the NYISO hereby approves a motion to recommend to the Board of Directors that a filing be made by the NYISO under

Section 205 of the Federal Power Act to request that the Federal Energy Regulatory Commission (FERC) extend the Voltage Support Service rate in Rate Schedule 2 under the present rates, terms and conditions, through March 31, 2006, and that the FERC waive the minimum 60-day notice period for the effectiveness of said rate filing.

(Motion failed with 45.13 percent affirmative votes)

9. 2006 Budget Presentation

Tom Concadoro of NYPA presented the background on the 2006 budget proposal. The Management Committee is scheduled to vote on a recommended 2006 budget at the upcoming meeting in November. Mr. Concadoro reviewed the highlights from the 2006 budgeting cycle, including the reactions of the Budget, Standards & Performance subcommittee (BS&P). Mr. Concadoro noted that the 2006 budget is within the budget target established in 2003 for 2006.

Mr. Fromer asked for an explanation of the 20 percent projected increase in FERC fees for the 2006 budget and also when the NYISO typically receives the annual FERC fees assessment. Mary McGarvey of the NYISO responded that the FERC fee assessment is obtained around June of each year, making it difficult to reallocate funds midway through a given budget year. She also commented that the 2006 increase is a 15 percent increase from the 2005 actual FERC fee assessment, and is based on indications that FERC costs are steadily rising.

Mr. Concadoro reviewed a schedule showing the anticipated levels of debt financings and the amounts expected to be outstanding for the next several years. Mr. Concadoro explained that NYISO utilizes a useful life of three years for computer hardware and software depreciation purposes, and that capital assets are financed by the NYISO using five-year term loans. Mr. Fromer requested an explanation regarding why the NYISO finds it necessary to assume these projected budget loans each year. Ms. McGarvey responded that financings are done at a level consistent with the expected amount of capital acquisitions and software development projects to allow Market Participants who receive the benefit of such capital projects over their service lives to pay their proportionate share of the cost. She further explained that Market Participants had requested that the NYISO extend capital financing over a five-year period to extend the Rate Schedule 1 recovery period.

Mr. Concadoro reviewed a recommended proposal for the NYISO to utilize over-collections from transactional volumes toward early pay down of outstanding debt, and noted that the BS&P was generally supportive of such a recommendation.

Mr. Fromer commented that NYISO had not provided in the budget presentation a schedule listing individual projects and their respective 2006 budget amounts. Ms. McGarvey stated that the NYISO had changed its strategy with regard to budgeting for product enhancements to match the newly organized Project & Product Management roles within NYISO. She further explained that vendors had occasionally obtained the

project budget estimates, and therefore, NYISO felt it prudent to not distribute such information. Mr. Concadoro noted that the BS&P had received presentations detailing the scope of product enhancements included in the 2006 budget. Mr. DeWitt suggested that the NYISO present such materials at the November Management Committee meeting prior to the Management Committee's vote on the 2006 budget.

Mr. Concadoro then proceeded to review the budget targets for the period 2007 – 2010, including the assumptions used to create such targets. Mr. Concadoro stated that the NYISO intends to create annual budgets within the target levels previously established for 2007 – 2008, although this would be challenging. Mr. Concadoro then noted that the NYISO intends to provide a "soft commitment" for the 2009-2010 budget targets. Mr. Lynch agreed that the 2009-2010 numbers were the NYISO's best estimates; however, there is a great deal of uncertainty for estimates this far out and a firm commitment could not be made.

Mr. Concadoro noted that the November budgetary motions may be split between the 2006 budget recommendation (including the transactional volume proposal) and the 2007-2010 budget targets.

10. New Business

No new business

11. Adjourn

Meeting was adjourned at 15:36

NYISO Management Committee Meeting

September 7, 2005

Con Edison, NYC, NY

MOTIONS FROM THE MEETING

Motion #1:

Motion to approve the Minutes of the August 1, 2005 Special Management Committee Meeting.

(Motion passed unanimously by a show of hands)

Motion #2:

The Management Committee (MC) approves the filing of tariff amendments which shall address the terms and conditions applicable to existing providers of Black Start and System Restoration Services in the Consolidated Edison Transmission District, as approved in principle by the Business Issues Committee at its August 24, 2005 meeting, and which conform in substance and intent to the presentation made to the MC at its September 7th meeting. Final tariff language shall be circulated to all Market Participants for review and unanimously approved by the Chairs and Vice Chairs of the MC, BIC and OC.

(Motion passed by a show of hands with abstentions from Bath Electric, Gas & Water Systems, Lake Placid Village, Municipal Commission of Boonville, Plattsburgh Municipal Lighting Dept, Village of Arcade, Village of Fairport, Village of Solvay, Village of Westfield, NYPA, Mirant, Calpine, Alcoa/Reynolds Metals Company, Helmsley-Spear Inc, IBM Corporation, Occidental Chemical Corp., Praxair Inc., Xerox Corporation, Indeck, Fortistar/Lockport Energy Associates, L.P., Keyspan Ravenswood, NYSEG.)

* The Management Committee elected Matthew Picardi, of Coral Power, to fill the Vice Chair position for December 2005 through November 2006. Jerry Ancona, the current Vice Chair will assume the position of Management Committee Chairman beginning December 2005.

(Mr. Picardi was elected MC Vice Chairperson by ballot with 100 % affirmative votes)

Management Committee Meeting

October 11, 2005
Desmond Hotel, Albany, NY

SUMMARY OF MOTIONS

Motion #1:

Motion to approve the minutes of the August 10, 2005 meeting.

(Motion passed unanimously)

Motion #2

Motion to approve the minutes of the September 7, 2005 meeting.

(Motion passed unanimously)

Motion #3

The Management Committee hereby agrees to approve and adopt the amendment to its By-Laws as presented at the October 11, 2005 Management Committee meeting.

(Motion passed by show of hands with one vote against: DC Energy)

Motion #4

Pursuant to Section 9.02 of the recently-approved amendment to the Management Committee By-Laws, the Management Committee hereby activates the Board Selection Sub-Committee ("BSSC") and request that each sector designate its two BSSC representatives and two BSSC alternate representatives no later than October 18. The names of these representatives and alternate representatives should be conveyed to the Chair of the Management Committee.

(Motion passed by show of hands with one abstention: DC Energy)

Motion #5

WHEREAS: The NYISO and its market participants have been discussing self supply of operating reserves since 2000. These discussions have, at various times, include discussions of possible designs for physical self supply options.

WHEREAS: The Management Committee is of the opinion that physical self supply is not a necessary option for the New York Market at this time. Designing a physical self supply option within the basic framework of the New York Market would be a complex and time consuming process. Although no option should be completely discarded as unwarranted, we believe that further exploration of physical self supply options at this time would be unproductive and unnecessary.

WHEREAS: The NYISO and its market participants are exploring the need to enhance or expand upon the two financial self supply options that are currently available under the NYISO's Market Administration and Control Area Services Tariff, Rate Schedule 4.

WHEREAS: The Management Committee concurs with the NYISO's current plan to continue to evaluate operating reserves price data and other market and system information for the purpose of making a recommendation to the market participants in 2006 on whether another financial self supply option(s) is necessary. Based on such recommendation and the results of the underlying analysis, the market

participants will decide in 2006 whether they choose to proceed with the design of an enhanced self supply option.

WHEREAS: The Management Committee encourages the Commission to allow the New York market to continue its analysis of the need for another financial self supply option and allow it to end, for now, any further effort towards a design of a physical self supply option for operating reserves.

NOW, THEREFORE, IT IS MOVED THAT the Management Committee approves amendments to the current tariff to clarify that physical self supply is not available in the New York Market at this time and identifying the two financial options that are currently noted in the tariff as the only presently available self-supply options.

The Management Committee also requests that the NYISO continue to monitor the price differentials between east and west and further analyze the production costs savings as identified in the LECG Report presented to the 9/21/05 BIC and make a recommendation **in 2006** on the need for a further financial hedge **and/or locational reserve settlements**.

The Management Committee also recommends that if a further financial hedge is determined by the NYISO and its stakeholders to be necessary, that the NYISO include in the development of that hedge an evaluation of the feasibility, costs and benefits of optimizing transmission capacity for reserves. Any improvement in the reserve cost hedging mechanism that would contain a move to locational settlements would also have to address the potential need for transmission optimization at that time.

(Motion passed by show of hands with abstentions from: Multiple Intervenors, Coral Power, Keyspan Ravenswood)

Motion # 6a

The Management Committee (MC) hereby approves revisions to the NYISO Voltage Support Service program, as noted below, and recommends that the Board of Directors support a tariff filing to implement these changes:

1. To move to Net Lagging at the point of interconnection compensation measurement
2. To provide clarification of testing requirements, as presented to the Business Issues Committee at the August 24th meeting
3. To the extent that a supplier does not have access to data from a net MVAR meter, to require the NYISO to calculate a value based upon a gross MVAR reading at the unit at issue and an established power flow calculation
4. To revise the 2006 revenue requirement and the annual revenue requirement for future years for this service as follows:
 - a. Update the 2001 revenue requirement to reflect new additions and retirements as of October 31, 2005 (the "Updated Requirement");
 - b. Apply a 3% annual inflation component to the Updated Requirement to reflect inflationary impacts associated with 2004 and 2005; and
 - c. At the end of each year, use the inflation index method that has been determined by the MSWG and approved by the BIC in accordance with the six month process set forth below to determine the inflation factor that reflects the actual inflation rate for that year and adjust the then existing dollar per MVAR rate accordingly for the upcoming year.

5. Add a new provision to Rate Schedule 2 that creates comparable payment terms for merchant non-generator dynamic VAR sources that are interconnected to the transmission system.

These provisions would include:

- a. Prorated VSS payment for energized hours for VAR capability measured at full real power flow
 - b. No lost opportunity cost payments and no requirement that the source change real power schedules; except that nothing in this motion shall be construed to change existing protocols between the New England ISO and the New York ISO
 - c. Interim testing procedures that allow facilities to test out of period
6. Delete, as presented to the BIC on September 21st, the section from Rate Schedule 2 that requires Voltage Service payments to Non-Utility Generators (“NUGs”) operating under existing power purchase agreements to be provided to the entity purchasing the NUG’s Energy or Capacity, unless otherwise stipulated by that entity

In addition the MC directs that MSWG develop a proposal for BIC and MC action within 6 months that includes the following:

- a. Review of the base compensation amount for VSS providers under Rate Schedule 2 and whether, and, if so, how, the base amount of Rate Schedule 2 should be adjusted on an annual basis.
- b. Determination of the preferred method (in terms of fairness, simplicity and feasibility) to allocate VSS costs to loads based on system needs and locational reactive power requirements
- c. The appropriateness of payment for the costs of energy consumed and any startup costs for non-generator VAR sources

Finally, the MC directs that, as part of the triennial process for resetting the ICAP demand curves, the NYISO shall evaluate whether the gas turbine that represents the proxy for the cost of new entry should include the equipment necessary to provide, and would be capable of providing, voltage support service, and, if so, the expected net revenues associated with the rendition of that service should be included in the ancillary service revenues calculated for the gas turbine.

(Motion failed with 50.87 affirmative votes)

Motion # 6b

Motion to amend original Motion 6a as follows:

The Management Committee (MC) hereby approves revisions to the NYISO Voltage Support Service program, as noted below, and recommends that the Board of Directors support a tariff filing to implement these changes:

1. To move to Net Lagging at the point of interconnection compensation measurement
2. To provide clarification of testing requirements, as presented to the Business Issues

Committee at the August 24th meeting

3. To the extent that a supplier does not have access to data from a net MVAR meter, to require the NYISO to calculate a value based upon a gross MVAR reading at the unit at issue and an established power flow calculation
4. To revise the 2006 revenue requirement and the annual revenue requirement for future years for this service as follows:
 - a. Update the 2001 revenue requirement to reflect new additions and retirements as of October 31, 2005 (the "Updated Requirement");
 - b. Apply a 3% annual inflation component to the Updated Requirement to reflect inflationary impacts associated with 2004 and 2005; and
 - c. At the end of each year, use the inflation index method that has been determined by the MSWG and approved by the BIC in accordance with the six month process set forth below to determine the inflation factor that reflects the actual inflation rate for that year and adjust the then existing dollar per MVAR rate accordingly for the upcoming year.
5. Add a new provision to Rate Schedule 2 that creates comparable payment terms for merchant non-generator dynamic VAR sources that are interconnected to the transmission system. These provisions would include:
 - a. Prorated VSS payment for energized hours for VAR capability measured at full real power flow
 - b. No lost opportunity cost payments and no requirement that the source change real power schedules; except that nothing in this motion shall be construed to change existing protocols between the New England ISO and the New York ISO
 - c. Interim testing procedures that allow facilities to test out of period
6. Delete, as presented to the BIC on September 21st, the section from Rate Schedule 2 that requires Voltage Service payments to Non-Utility Generators ("NUGs") operating under existing power purchase agreements to be provided to the entity purchasing the NUG's Energy or Capacity, unless otherwise stipulated by that entity

In addition the MC directs that MSWG develop a proposal for BIC and MC action within 6 months that includes the following:

- a. Review of the base compensation amount for VSS providers under Rate Schedule 2 and whether, and, if so, how, the base amount of Rate Schedule 2 should be adjusted on an annual basis.
- b. Determination of the preferred method (in terms of fairness, simplicity and feasibility) to allocate VSS costs to loads based on system needs and locational reactive power requirements
- c. The appropriateness of payment for the costs of energy consumed and any startup costs for non-generator VAR sources

Finally, the MC directs that, as part of the triennial process for resetting the ICAP demand curves, the NYISO shall evaluate whether the gas turbine that represents the proxy for the cost of new entry should include the equipment necessary to provide, and would be capable of providing, voltage support service, and, if so, the expected net revenues associated with the rendition of that service should be included in the ancillary service revenues calculated for the gas turbine.

Hold items 4b and 4c in abeyance pending completion of additional study on these items by March 31, 2006 to be developed, reviewed and reported on by the MSWG with the stipulation that subsequent approval by the MC of a cost adjustment factor applied to the 2002 base rate would be made retroactive to January 1, 2006 or such other measures would be adopted to ensure that suppliers received a total payment for calendar year 2006 equal to what they would have received if the cumulative cost adjustment factor, if any, had commenced on January 1, 2006.

(Motion failed with 52.73 affirmative votes)

Motion # 6c

Secondary Motion re: Extension of Voltage Support Service Program through March 31, 2006:

WHEREAS, the Market Participants at the Market Structures Working Group of the New York Independent System Operator (NYISO) discussed modifications to rates, terms and conditions of the Voltage Support Service compensation in Rate Schedule 2 of the Services Tariff;

WHEREAS, the Market Participants at the Business Issues Committee did not approve various motions addressed to these issues, and additional time is desired for their resolution;

WHEREAS, the Voltage Support Service rate in Rate Schedule 2 shall expire by its own terms on December 31, 2005, leaving no basis for compensation to providers of voltage support in New York State

NOW, THEREFORE, the Management Committee of the NYISO hereby approves a motion to recommend to the Board of Directors that a filing be made by the NYISO under Section 205 of the Federal Power Act to request that the Federal Energy Regulatory Commission (FERC) extend the Voltage Support Service rate in Rate Schedule 2 under the present rates, terms and conditions, through March 31, 2006, and that the FERC waive the minimum 60-day notice period for the effectiveness of said rate filing.

(Motion failed with 45.13 affirmative votes)

New York Independent System Operator - Committee Membership

Management Committee - Attendance October 11, 2005 - Albany, NY - Parties Checked in Attendance

Organization	Sector	Representative	Alternate1	Alternate2	Alternate3	Alternate4	Alternate5	Proxy	Guest
NYS Energy Research & Develop. Auth.	End Use - Gov. Agency/Aggr.	Paul DeCotis	✓ David Coup	Erin Hogan	Chris Hall	John Spath			
The City of New York	End Use - Gov. Agency/Aggr.	✓ Michael Delaney	Gil Quiniones	Thomas Simpson	Jonathan Wallach	Tim Daniels			
Alcoa/Reynolds Metals Company	End Use - Large Consumer	Robert Loughney	✓ Michael Mager	Morgan Parke					
Helmsley-Spear Inc.	End Use - Large Consumer	David Bomke	George Diamantopoulos	Edward Strauss	Herb Rose				
IBM Corporation	End Use - Large Consumer	Robert Loughney	✓ Michael Mager	Morgan Parke					
Occidental Chemical Corp.	End Use - Large Consumer	Robert Loughney	✓ Michael Mager	Morgan Parke					
Praxair Inc.	End Use - Large Consumer	Robert Loughney	✓ Michael Mager	Morgan Parke					
Xerox Corporation	End Use - Large Consumer	Robert Loughney	✓ Michael Mager	Morgan Parke					
Metropolitan Transportation Authority	End Use - Large Cons. Gov.	Jesse Samberg	Gary Caplan	Walter McCarroll					
American Sugar Refining, Inc.	End Use - Small Consumer	John Gebhard	Quintin George	Catherine Luthin	✓ John Dowling	Jennifer Kearney			
Association for Energy Affordability, Inc.	End Use - Small Consumer	David Hepinstall	✓ Larry DeWitt						
Beth Israel Health Care System	End Use - Small Consumer	Catherine Luthin	✓ John Dowling	Jennifer Kearney	✓ Tariq Niazi	Doug Elfner			
Building and Realty Institute	End Use - Small Consumer	Herb Rose	Judith Mondre	Ted Lee	✓ Tariq Niazi				
Columbia University	End Use - Small Consumer	Catherine Luthin	✓ John Dowling	Jennifer Kearney	✓ Tariq Niazi	Doug Elfner			
Mount Sinai Medical Center	End Use - Small Consumer	Catherine Luthin	✓ John Dowling	Jennifer Kearney	✓ Tariq Niazi	Doug Elfner			
New York Presbyterian Hospital	End Use - Small Consumer	Catherine Luthin	✓ John Dowling	Jennifer Kearney	✓ Tariq Niazi	Doug Elfner			
New York University	End Use - Small Consumer	Catherine Luthin	✓ John Dowling	Jennifer Kearney	✓ Tariq Niazi	Doug Elfner			
NY State Consumer Protection Board	End Use - State Agency	✓ Tariq Niazi	Doug Elfner						
AES NY	Generation Owners	Christopher Wentlent	Rick Santoroski	Charles Sjoberg					
American National Power, Inc.	Generation Owners	Dorothy Capra	Bill Henson						
Astoria Energy LLC	Generation Owners	Joseph Swift	Leonard Singer						
Calpine	Generation Owners	Thomas Kaslow	Tracee Bersani	Richard Felak					
East Coast Power Linden Holding LLC	Generation Owners	Thomas Hoatson	Robert Licato	Kathy Benini					
Edison Mission Marketing & Trading	Generation Owners	✓ William Roberts	Jeffrey Ellis	Peter Brown	Rich Mooney				
Entergy Nuclear Northeast	Generation Owners	Marc Potkin	Angelo Vai	Ron Mackowiak					✓ Glenn Haake
Indeck Energy Services	Generation Owners	Mike Ferguson	John Schrage	✓ Mark Younger					
KeySpan Ravenswood, LLC	Generation Owners	Jim Brennan	Rich Hohlman	Joe Vignola	✓ Jim D'Andrea	✓ Madison Milhous	Rich Rapp		
Mirant New York, Inc.	Generation Owners	James Mayhew	✓ Doreen Saia	Vicki Lynch					
Orion Power New York	Generation Owners	✓ Liam Baker	Bill Berg						
Selkirk Cogen Partners, L.P.	Generation Owners	Tim Biittig	Steve Kampilla						
Sithe Energies, Inc.	Generation Owners	Scott Silverstein	Joe Klimaszewski	Jim Verna					
TransCanada Power Marketing	Generation Owners	William Taylor	Elaine Beaudry						
Advantage Energy, Inc.	Other Suppliers	Kyle Storie							✓ Rick Mancini
Amerada Hess Corporation	Other Suppliers	Hemant Jain	Kevin Laguardia	Blas Hernandez	George Braulke				
Brascan Energy Marketing Inc.	Other Suppliers	Robert Ricketts	Daniel Whyte						✓ Glenn Haake
Cinergy Capital and Trading	Other Suppliers	None Assigned	Walt Yeager						✓ John Deeds
Con Edison Energy	Other Suppliers	Ken Bekman	Ivan Kimball						
Con Edison Solutions	Other Suppliers	Ken Bekman	Stephen Wemple						
Conectiv	Other Suppliers	Bill Fehr	John Foreman						✓ Glenn Haake
Constellation New Energy Inc.	Other Suppliers	Peter Duprey	Carrie CullenHitt	Sara O'Neill	Susan Chamberlin				
Constellation Power Source	Other Suppliers	Daniel Allegretti	✓ Glen McCartney	Mary Lynch	Carrie CullenHitt				
Coral Power, LLC	Other Suppliers	✓ Matt Picardi	Marc Overdyk	Dave French					
DC Energy	Other Suppliers	✓ Bruce Bleiweis	Dean Wilde	Andrew Stevens					
Dominion Energy Marketing, Inc.	Other Suppliers	Wes Walker	Lou Oberski	Michael Bekker					
Duke Energy North America, LLC	Other Suppliers	Stacy Dimou	Del Disher						
Dynegy	Other Suppliers	Barry Huddleston	Jason Cox	Kevin White					✓ Glenn Haake
ECONergy	Other Suppliers	Saul Horowitz	Tom Halleran						
Epic Merchant Energy	Other Suppliers	Mike Kinsey	✓ Erik Abend	Wade Sullivan					
Exelon Generation - Power Team	Other Suppliers	Scott Silverstein	Joe Klimaszewski	Jim Verna					
Fortistar/Lockport Energy Associates, L.P.	Other Suppliers	Roger Kelley	✓ Roger Kelley	Tom Gesicki	✓ Glenn Haake				
FPL Energy	Other Suppliers	David Applebaum	Fernando DaSilva	Ron Scheirer					✓ Doreen Saia
Galt Power	Other Suppliers	✓ Rick Mancini	Stephen Fernands						
HQ Energy Services	Other Suppliers	Michel Prevost	✓ Paul Norris	Erik Bellavance					
KeySpan Energy Services	Other Suppliers	Terrence Kain	✓ Jim D'Andrea	Edwin Kichline	James Cross	John Vaughn			
Morgan Stanley Capital Group	Other Suppliers	Patrick Murray	Karen Kochonies	Levon Kazarian	Doron Ezickson	Nikolai Markarian			
NRG Power Marketing	Other Suppliers	✓ Tim Foxen	Katie Sullivan	Peter Chamberlain					
NU / Select Energy	Other Suppliers	Gunnar Jorgensen	✓ Jim Scheiderich						
Ontario Power Generation Inc.	Other Suppliers	Barry Green	✓ Dave Barr	Ken Lacivita	Scott McArthur	David Barr	✓ Glenn Haake		
PPM Energy	Other Suppliers	Donald Winslow	Murray O'Neil						✓ Glenn Haake
PP&L Energy Plus	Other Suppliers	Tom Hyzinski	John Brodbeck	✓ Joseph Langan	Sharon Weber				
PSEG Energy Resources & Trade	Other Suppliers	✓ Howard Fromer	Michael LaFalce						

New York Independent System Operator - Committee Membership

Management Committee - Attendance October 11, 2005 - Albany, NY - Parties Checked in Attendance

Organization	Sector	Representative	Alternate1	Alternate2	Alternate3	Alternate4	Alternate5	Proxy	Guest
Reliant Energy Services, Inc.	Other Suppliers	✓ Liam Baker	Mark Sudbey	John Orr					
Sempra Energy Trading	Other Suppliers	Dan Staines	María Agovino	Scott Englander	Barry Trayers				
SESCO Enterprises, LLC	Other Suppliers	Mike Schubiger	Jim Thoresen						
Strategic Energy LLC	Other Suppliers	Jason Barker	Jeff Knox	Pamela Melton				✓ Rick Mancini	
Strategic Power Management, Inc.	Other Suppliers	Mario DiValentino	Thomas Folchi						
TransÉnergie U.S. Ltd.	Other Suppliers	Raymond Coxé	Michael Jacobs						
Williams Power Company	Other Suppliers	David Singer	Mark Lassman	Robert O'Connell					
Long Island Power Authority	Public Power - Authorities	✓ Kevin Jones	Jim Wittine	Dave Clarke					
New York Power Authority	Public Power - Authorities	Robert Hiney	✓ William Palazzo	✓ Kim Byham					
American Wind Energy Association	Public Power - Environmental	Valerie Strauss	✓ Larry DeWitt	Douglas Ward	Mike Jacobs				
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	Matthew Benesh	✓ Tim Bush	Jim Hamilton	Ken Moore	Jack Brown			
City of Jamestown Board of Pub. Util.	Public Power - Munis & Co-ops	✓ David Gustafson	Wally Haase	John Oelbracht	Steven Kulig	✓ Tom Rudebusch			
Lake Placid Village	Public Power - Munis & Co-ops	Peter Kroha	✓ Tim Bush						
Municipal Commission of Boonville	Public Power - Munis & Co-ops	Kenneth Stabb	✓ Tim Bush						
Plattsburgh Municipal Lighting Dept.	Public Power - Munis & Co-ops	Jack Brown	✓ Tim Bush						
Village of Arcade	Public Power - Munis & Co-ops	Larry Kilburn	✓ 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	✓ Tom Rudebusch					
Village of Rockville Centre	Public Power - Munis & Co-ops	✓ Paul Pallas	Jim Hamilton	Matthew Benesh	Jim Hamilton	Jack Brown	Ken Moore	✓ Tom Rudebusch	
Village of Solvay	Public Power - Munis & Co-ops	Anthony Modafferi	✓ Tim Bush						
Village of Westfield	Public Power - Munis & Co-ops	Jim Hamilton	✓ Tim Bush	Matthew Benesh	Jack Brown	Ken Moore			
Central Hudson Gas & Electric	Transmission Owners	Charles Freni	✓ John Watzka						
Consolidated Edison	Transmission Owners	Terry Agriss	✓ Stuart Nachmias	✓ Neil Butterklee					
National Grid	Transmission Owners	✓ Jerry Ancona	Wes Yeomans	Janet Gail Besser	Herb Schrayshuen	✓ Bart Franey	Terron Hill		
NY State Electric Gas (NYSEG)	Transmission Owners	✓ Ray Kinney	✓ Patti Caletka	Hank Masti	Cliff Olson	Denis Wickham			
Orange & Rockland, Inc.	Transmission Owners	None Assigned							
Rochester Gas & Electric	Transmission Owners	✓ Ray Kinney	✓ Patti Caletka	Hank Masti	Cliff Olson	Denis Wickham			
Boundless Energy, L.L.C	Non-voting	John Tompkins	Brian Chernack	Chuck Gilbert					
Caithness Energy, L.L.C	Non-voting	Ross Ain	Jack Feinstein						
Cianbro	Non-voting	Chuck Hewitt	John Tompkins						
Customized Energy Solutions	Non-voting	✓ Rick Mancini	Stephen Fernands	Bill Schofield					
Ecogen, L.L.C	Non-voting	Tom Hagner							
Energetix, Inc.	Non-voting	Barney Farnsworth							
Fluent Energy	Non-voting	Michael Mastroianni	David Koplas	Margie Miller					
Hudson River Energy Group	Non-voting	Frank Radigan	Richard Canfield						
Hydro-Quebec TransEnergie	Non-voting	Glenn Sylvain	Mario Boucher						
NYS Department of Public Service	Non-voting	Penny Rubin	✓ Rajendra Addepalli						
Stealth Energy	Non-voting	Gad Cohen							
The Structure Group	Non-voting	Bob Furry	Alex Lago						
Tom Halleran	Non-voting	Tom Halleran							
William P. Short	Non-voting	William Short	Marc Schaefer	Joe DeVito	John Brodbeck	Ron Matlock	Paul Savage	Roberto Denis	
zNew Member	Non-voting								
zNew Member	Non-voting								
zNew Member	Non-voting								
zNew Member	Non-voting								
zNew Member	Non-voting								
zNew Member	Non-voting								
zNew Member	Non-voting								
zNew Member	Non-voting								
zNew Member	Non-voting	None Assigned							

NYISO and Hunton & Williams Members in Attendance:

✓ Ira Freilicher	Hunton & Williams
Kevin Jones	Hunton & Williams
✓ Charles Garber	NYISO
✓ Mark Lynch	NYISO
✓ Rob Fernandez	NYISO
✓ John Buechler	NYISO

New York Independent System Operator - Committee Membership

Management Committee - Attendance October 11, 2005 - Albany, NY - Parties Checked in Attendance

Organization	Sector	Representative	Alternate1	Alternate2	Alternate3	Alternate4	Alternate5	Proxy	Guest
✓ Mollie Lampi	NYISO								
✓ Brad Kranz	NYISO								
✓ Belinda Thornton	NYISO								
✓ Elaine Robinson	NYISO								
✓ Jacquie Ponds	NYISO								
✓ Leigh Bullock	NYISO								
✓ Ray Stalter	NYISO								
✓ Debbie Eckels	NYISO								
✓ Bob Thompson	NYISO								
✓ Carl Patka	NYISO								
✓ Frank Francis	NYISO								
✓ John Buechler	NYISO								
✓ Garry Brown	NYISO								
✓ Ernie Cardone	NYISO								
✓ Elaine Robinson	NYISO								
✓ Mary McGarvey	NYISO								
✓ Rich Dewey	NYISO								

Key:

✓ = In attendance

New York Independent System Operator

Management Committee - October 11, 2005

Motion: Motion # 6a

Result: Motion Failed

Sector with base percent	%	Active	Quorum	Adj. Percent	For	Against	Abstain	% For	% Against	
Generation Owners	21.5	✓	✓	21.50	5.00	0.00	0	21.50	0.00	
Other Suppliers	21.5	✓	✓	21.50	17.00	3.00	1	18.28	3.23	
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	5.00	0	0.00	10.33	
Large Cons. Gov. Agency	2.0	✓		2.00	0.00	0.00	0	0.00	0.00	
Small Consumer	4.5	✓	✓	4.50	0.00	8.00	0	0.00	5.17	
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	0.00	1.00	1	0.00	4.50	
Public Power			✓							
State Power Authorities	8	✓		8.00	1.00	1.00	0	4.00	4.00	
Munis and Coops	7	✓		7.00	8.00	3.00	0	5.09	1.91	
Environmental	2	✓		2.00	1.00	0.00	4	2.00	0.00	
				5	100.00	32.00	25.00	7	50.87	49.13
					100.00	Normalized to 100% :		50.87	49.13	

New York Independent System Operator

Management Committee - October 11, 2005

Motion Motion # 6a

Sector	Organization	Representative	Affiliate	Present	For	Against
End Use - Gov. Agency/Aggr.	NYS Energy Research & Develop. Auth.	David Coup		y		
End Use - Gov. Agency/Aggr.	The City of New York	Michael Delaney		y		1.00
End Use - Large Consumer	Alcoa/Reynolds Metals Company	Michael Mager		y		1.00
End Use - Large Consumer	Helmsley-Spear Inc.					
End Use - Large Consumer	IBM Corporation	Michael Mager		y		1.00
End Use - Large Consumer	Occidental Chemical Corp.	Michael Mager		y		1.00
End Use - Large Consumer	Praxair Inc.	Michael Mager		y		1.00
End Use - Large Consumer	Xerox Corporation	Michael Mager		y		1.00
End Use - Large Cons. Gov.	Metropolitan Transportation Authority					
End Use - Small Consumer	American Sugar Refining, Inc.	John Dowling		y		1.00
End Use - Small Consumer	Association for Energy Affordability, Inc.	Larry DeWitt		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	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 Presbyterian Hospital	John Dowling		y		1.00
End Use - Small Consumer	New York University	John Dowling		y		1.00
End Use - State Agency	NY State Consumer Protection Board	Tariq Niazi		y		
Generation Owners	AES NY					
Generation Owners	American National Power, Inc.					
Generation Owners	Astoria Energy LLC					
Generation Owners	Calpine					
Generation Owners	East Coast Power Linden Holding LLC					
Generation Owners	Edison Mission Marketing & Trading	William Roberts		y	1.00	
Generation Owners	Entergy Nuclear Northeast	Glenn Haake		y	1.00	
Generation Owners	Indeck Energy Services	Mark Younger		y	1.00	
Generation Owners	KeySpan Ravenswood, LLC	Jim D'Andrea		y	1.00	
Generation Owners	Mirant New York, Inc.	Doreen Saia		y	1.00	
Generation Owners	Orion Power New York	Liam Baker	y	y		
Generation Owners	Selkirk Cogen Partners, L.P.					
Generation Owners	Sithe Energies, Inc.		y			
Generation Owners	TransCanada Power Marketing					
Other Suppliers	Advantage Energy, Inc.	Rick Mancini		y	1.00	
Other Suppliers	Amerada Hess Corporation					
Other Suppliers	Brascan Energy Marketing Inc.	Glenn Haake		y	1.00	
Other Suppliers	Cinergy Capital and Trading	John Deeds		y	1.00	
Other Suppliers	Con Edison Energy		y			
Other Suppliers	Con Edison Solutions		y			
Other Suppliers	Conectiv	Glenn Haake		y	1.00	
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	DC Energy	Bruce Bleiweis		y	1.00	
Other Suppliers	Dominion Energy Marketing, Inc.					
Other Suppliers	Duke Energy North America, LLC					
Other Suppliers	Dynegy	Glenn Haake		y	1.00	
Other Suppliers	ECOnergy					
Other Suppliers	Epic Merchant Energy	Erik Abend		y	1.00	
Other Suppliers	Exelon Generation - Power Team					
Other Suppliers	Fortistar/Lockport Energy Associates, L.P.	Mark Younger		y	1.00	
Other Suppliers	FPL Energy	Doreen Saia		y	1.00	
Other Suppliers	Galt Power	Rick Mancini		y		1.00
Other Suppliers	HQ Energy Services	Paul Norris		y	1.00	
Other Suppliers	KeySpan Energy Services	Jim D'Andrea	y	y		
Other Suppliers	Morgan Stanley Capital Group					
Other Suppliers	NRG Power Marketing	Tim Foxen		y	1.00	
Other Suppliers	NU / Select Energy	Jim Scheiderich		y		
Other Suppliers	Ontario Power Generation Inc.	Dave Barr		y	1.00	
Other Suppliers	PPM Energy	Glenn Haake		y	1.00	
Other Suppliers	PP&L Energy Plus	Joseph Langan		y	1.00	
Other Suppliers	PSEG Energy Resources & Trade	Howard Fromer		y	1.00	
Other Suppliers	Reliant Energy Services, Inc.	Liam Baker		y	1.00	
Other Suppliers	Sempra Energy Trading					
Other Suppliers	SESCO Enterprises, LLC					
Other Suppliers	Strategic Energy LLC	Rick Mancini		y	1.00	
Other Suppliers	Strategic Power Management, Inc.					
Other Suppliers	TransEnergie U.S. Ltd.		y			
Other Suppliers	Williams Power Company					
Public Power - Authorities	Long Island Power Authority	Kevin Jones		y	1.00	
Public Power - Authorities	New York Power Authority	William Palazzo		y		1.00
Public Power - Environmental	American Wind Energy Association	Larry DeWitt		y	1.00	
Public Power - Environmental	Environmental Advocates	Larry DeWitt		y		
Public Power - Environmental	Nat'l Resources Defense Council	Larry DeWitt		y		
Public Power - Environmental	Pace University	Larry DeWitt		y		
Public Power - Environmental	Scenic Hudson	Larry DeWitt		y		
Public Power - Munis & Co-ops	Bath Electric, Gas & Water Systems	Tim Bush		y	1.00	
Public Power - Munis & Co-ops	City of Jamestown Board of Pub. Util.	David Gustafson		y		1.00
Public Power - Munis & Co-ops	Lake Placid Village	Tim Bush		y	1.00	
Public Power - Munis & Co-ops	Municipal Commission of Boonville	Tim Bush		y	1.00	
Public Power - Munis & Co-ops	Plattsburgh Municipal Lighting Dept.	Tim Bush		y	1.00	
Public Power - Munis & Co-ops	Village of Arcade	Tim Bush		y	1.00	
Public Power - Munis & Co-ops	Village of Fairport	Tim Bush		y	1.00	
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		1.00
Public Power - Munis & Co-ops	Village of Solvay	Tim Bush		y	1.00	
Public Power - Munis & Co-ops	Village of Westfield	Tim Bush		y	1.00	
Transmission Owners	Central Hudson Gas & Electric	John Watzka		y	1.00	
Transmission Owners	Consolidated Edison	Stuart Nachmias		y	1.00	
Transmission Owners	National Grid	Jerry Ancona		y	1.00	
Transmission Owners	NY State Electric Gas (NYSEG)	Ray Kinney		y	1.00	
Transmission Owners	Orange & Rockland, Inc.		y			
Transmission Owners	Rochester Gas & Electric	Ray Kinney	y	y		
Non-voting	Boundless Energy, L.L.C		y			
Non-voting	Caithness Energy, L.L.C		y			

New York Independent System Operator

Management Committee - October 11, 2005

Motion: Motion #6b

Result: Motion Failed

Sector with base percent	%	Active	Quorum	Adj. Percent	For	Against	Abstain	% For	% Against	
Generation Owners	21.5	✓	✓	21.50	0.00	4.00	1	0.00	21.50	
Other Suppliers	21.5	✓	✓	21.50	4.00	17.00	0	4.10	17.40	
Transmission Owners	20.0	✓	✓	20.00	3.00	0.00	1	20.00	0.00	
End Use Consumer			✓							
Large Consumer	9.0	✓		9.00	5.00	0.00	0	10.33	0.00	
Large Cons. Gov. Agency	2.0	✓		2.00	0.00	0.00	0	0.00	0.00	
Small Consumer	4.5	✓	✓	4.50	8.00	0.00	0	5.17	0.00	
Gov. State-wide Cons. Advocate	2.7	✓		2.70	1.00	0.00	0	2.70	0.00	
Gov. Sm. Cons. & Retail Aggr.	1.8	✓		1.80	2.00	0.00	0	1.80	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	1.00	10.00	0	0.64	6.36	
Environmental	2	✓		2.00	0.00	1.00	4	0.00	2.00	
				5	100.00	26.00	32.00	6	52.73	47.27
					100.00	Normalized to 100% :			52.73	47.27

New York Independent System Operator

Management Committee - October 11, 2005

Motion Motion #6b

Sector	Organization	Representative	Affiliate	Present	For	Against
End Use - Gov. Agency/Aggr.	NYS Energy Research & Develop. Auth.	David Coup		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	Michael Mager		y	1.00	
End Use - Large Consumer	Helmsley-Spear Inc.					
End Use - Large Consumer	IBM Corporation	Michael Mager		y	1.00	
End Use - Large Consumer	Occidental Chemical Corp.	Michael Mager		y	1.00	
End Use - Large Consumer	Praxair Inc.	Michael Mager		y	1.00	
End Use - Large Consumer	Xerox Corporation	Michael Mager		y	1.00	
End Use - Large Cons. Gov.	Metropolitan Transportation Authority					
End Use - Small Consumer	American Sugar Refining, Inc.	John Dowling		y	1.00	
End Use - Small Consumer	Association for Energy Affordability, Inc.	Larry DeWitt		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	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 Presbyterian Hospital	John Dowling		y	1.00	
End Use - Small Consumer	New York University	John Dowling		y	1.00	
End Use - State Agency	NY State Consumer Protection Board	Tariq Niazi		y	1.00	
Generation Owners	AES NY					
Generation Owners	American National Power, Inc.					
Generation Owners	Astoria Energy LLC					
Generation Owners	Calpine					
Generation Owners	East Coast Power Linden Holding LLC					
Generation Owners	Edison Mission Marketing & Trading	William Roberts		y	1.00	
Generation Owners	Entergy Nuclear Northeast	Glenn Haake		y	1.00	
Generation Owners	Indeck Energy Services	Mark Younger		y	1.00	
Generation Owners	KeySpan Ravenswood, LLC	Jim D'Andrea		y		
Generation Owners	Mirant New York, Inc.	Doreen Saia		y	1.00	
Generation Owners	Orion Power New York	Liam Baker	y	y		
Generation Owners	Selkirk Cogen Partners, L.P.					
Generation Owners	Sithe Energies, Inc.		y			
Generation Owners	TransCanada Power Marketing					
Other Suppliers	Advantage Energy, Inc.	Rick Mancini		y	1.00	
Other Suppliers	Amerada Hess Corporation					
Other Suppliers	Brascan Energy Marketing Inc.	Glenn Haake		y	1.00	
Other Suppliers	Cinergy Capital and Trading	John Deeds		y	1.00	
Other Suppliers	Con Edison Energy		y			
Other Suppliers	Con Edison Solutions		y			
Other Suppliers	Conectiv	Glenn Haake		y	1.00	
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	DC Energy	Bruce Bleiweis		y	1.00	
Other Suppliers	Dominion Energy Marketing, Inc.					
Other Suppliers	Duke Energy North America, LLC					
Other Suppliers	Dynegy	Glenn Haake		y	1.00	
Other Suppliers	ECONergy					
Other Suppliers	Epic Merchant Energy	Erik Abend		y	1.00	
Other Suppliers	Exelon Generation - Power Team					
Other Suppliers	Fortistar/Lockport Energy Associates, L.P.	Mark Younger		y	1.00	
Other Suppliers	FPL Energy	Doreen Saia		y	1.00	
Other Suppliers	Galt Power	Rick Mancini		y	1.00	
Other Suppliers	HQ Energy Services	Paul Norris		y	1.00	
Other Suppliers	KeySpan Energy Services	Jim D'Andrea	y	y		
Other Suppliers	Morgan Stanley Capital Group					
Other Suppliers	NRG Power Marketing	Tim Foxen		y	1.00	
Other Suppliers	NU / Select Energy	Jim Scheiderich		y	1.00	
Other Suppliers	Ontario Power Generation Inc.	Dave Barr		y	1.00	
Other Suppliers	PPM Energy	Glenn Haake		y	1.00	
Other Suppliers	PP&L Energy Plus	Joseph Langan		y	1.00	
Other Suppliers	PSEG Energy Resources & Trade	Howard Fromer		y	1.00	
Other Suppliers	Reliant Energy Services, Inc.	Liam Baker		y	1.00	
Other Suppliers	Sempra Energy Trading					
Other Suppliers	SESCO Enterprises, LLC					
Other Suppliers	Strategic Energy LLC	Rick Mancini		y	1.00	
Other Suppliers	Strategic Power Management, Inc.					
Other Suppliers	TransEnergie U.S. Ltd.		y			
Other Suppliers	Williams Power Company					
Public Power - Authorities	Long Island Power Authority	Kevin Jones		y	1.00	
Public Power - Authorities	New York Power Authority	William Palazzo		y	1.00	
Public Power - Environmental	American Wind Energy Association	Larry DeWitt		y	1.00	
Public Power - Environmental	Environmental Advocates	Larry DeWitt		y		
Public Power - Environmental	Nat'l Resources Defense Council	Larry DeWitt		y		
Public Power - Environmental	Pace University	Larry DeWitt		y		
Public Power - Environmental	Scenic Hudson	Larry DeWitt		y		
Public Power - Munis & Co-ops	Bath Electric, Gas & Water Systems	Tim Bush		y	1.00	
Public Power - Munis & Co-ops	City of Jamestown Board of Pub. Util.	David Gustafson		y	1.00	
Public Power - Munis & Co-ops	Lake Placid Village	Tim Bush		y	1.00	
Public Power - Munis & Co-ops	Municipal Commission of Boonville	Tim Bush		y	1.00	
Public Power - Munis & Co-ops	Plattsburgh Municipal Lighting Dept.	Tim Bush		y	1.00	
Public Power - Munis & Co-ops	Village of Arcade	Tim Bush		y	1.00	
Public Power - Munis & Co-ops	Village of Fairport	Tim Bush		y	1.00	
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	1.00	
Public Power - Munis & Co-ops	Village of Solway	Tim Bush		y	1.00	
Public Power - Munis & Co-ops	Village of Westfield	Tim Bush		y	1.00	
Transmission Owners	Central Hudson Gas & Electric	John Watzka		y	1.00	
Transmission Owners	Consolidated Edison	Stuart Nachmias		y	1.00	
Transmission Owners	National Grid	Jerry Ancona		y	1.00	
Transmission Owners	NY State Electric Gas (NYSEG)	Ray Kinney		y		
Transmission Owners	Orange & Rockland, Inc.		y			
Transmission Owners	Rochester Gas & Electric	Ray Kinney	y	y		
Non-voting	Boundless Energy, L.L.C		y			
Non-voting	Caithness Energy, L.L.C		y			

New York Independent System Operator

Management Committee - October 11, 2005

Motion: Motion #6c

Result: Motion Failed

Sector with base percent	%	Active	Quorum	Adj. Percent	For	Against	Abstain	% For	% Against	
Generation Owners	21.5	✓	✓	21.50	0.00	5.00	0	0.00	21.50	
Other Suppliers	21.5	✓	✓	21.50	3.00	17.00	1	3.23	18.28	
Transmission Owners	20.0	✓	✓	20.00	3.00	0.00	1	20.00	0.00	
End Use Consumer			✓							
Large Consumer	9.0	✓		9.00	5.00	0.00	0	10.33	0.00	
Large Cons. Gov. Agency	2.0	✓		2.00	0.00	0.00	0	0.00	0.00	
Small Consumer	4.5	✓	✓	4.50	8.00	0.00	0	5.17	0.00	
Gov. State-wide Cons. Advocate	2.7	✓		2.70	1.00	0.00	0	2.70	0.00	
Gov. Sm. Cons. & Retail Aggr.	1.8	✓		1.80	1.00	0.00	1	1.80	0.00	
Public Power			✓							
State Power Authorities	8	✓		8.00	0.00	1.00	1	0.00	8.00	
Munis and Coops	7	✓		7.00	3.00	8.00	0	1.91	5.09	
Environmental	2	✓		2.00	0.00	1.00	4	0.00	2.00	
				5	100.00	24.00	32.00	8	45.13	54.87
					100.00	Normalized to 100% :		45.13	54.87	

New York Independent System Operator

Management Committee - October 11, 2005

Motion Motion #6c

Sector	Organization	Representative	Affiliate	Present	For	Against
End Use - Gov. Agency/Aggr.	NYS Energy Research & Develop. Auth.	David Coup		y		
End Use - Gov. Agency/Aggr.	The City of New York	Michael Delaney		y	1.00	
End Use - Large Consumer	Alcoa/Reynolds Metals Company	Michael Mager		y	1.00	
End Use - Large Consumer	Helmsley-Spear Inc.					
End Use - Large Consumer	IBM Corporation	Michael Mager		y	1.00	
End Use - Large Consumer	Occidental Chemical Corp.	Michael Mager		y	1.00	
End Use - Large Consumer	Praxair Inc.	Michael Mager		y	1.00	
End Use - Large Consumer	Xerox Corporation	Michael Mager		y	1.00	
End Use - Large Cons. Gov.	Metropolitan Transportation Authority					
End Use - Small Consumer	American Sugar Refining, Inc.	John Dowling		y	1.00	
End Use - Small Consumer	Association for Energy Affordability, Inc.	Larry DeWitt		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	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 Presbyterian Hospital	John Dowling		y	1.00	
End Use - Small Consumer	New York University	John Dowling		y	1.00	
End Use - State Agency	NY State Consumer Protection Board	Tariq Niazi		y	1.00	
Generation Owners	AES NY					
Generation Owners	American National Power, Inc.					
Generation Owners	Astoria Energy LLC					
Generation Owners	Calpine					
Generation Owners	East Coast Power Linden Holding LLC					
Generation Owners	Edison Mission Marketing & Trading	William Roberts		y	1.00	
Generation Owners	Entergy Nuclear Northeast	Glenn Haake		y	1.00	
Generation Owners	Indeck Energy Services	Mark Younger		y	1.00	
Generation Owners	KeySpan Ravenswood, LLC	Jim D'Andrea		y	1.00	
Generation Owners	Mirant New York, Inc.	Doreen Saia		y	1.00	
Generation Owners	Orion Power New York	Liam Baker	y	y		
Generation Owners	Selkirk Cogen Partners, L.P.					
Generation Owners	Sithe Energies, Inc.		y			
Generation Owners	TransCanada Power Marketing					
Other Suppliers	Advantage Energy, Inc.	Rick Mancini		y	1.00	
Other Suppliers	Amerada Hess Corporation					
Other Suppliers	Brascan Energy Marketing Inc.	Glenn Haake		y	1.00	
Other Suppliers	Cinergy Capital and Trading	John Deeds		y	1.00	
Other Suppliers	Con Edison Energy		y			
Other Suppliers	Con Edison Solutions		y			
Other Suppliers	Conectiv	Glenn Haake		y	1.00	
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	DC Energy	Bruce Bleiweis		y	1.00	
Other Suppliers	Dominion Energy Marketing, Inc.					
Other Suppliers	Duke Energy North America, LLC					
Other Suppliers	Dynegy	Glenn Haake		y	1.00	
Other Suppliers	ECONergy					
Other Suppliers	Epic Merchant Energy	Erik Abend		y	1.00	
Other Suppliers	Exelon Generation - Power Team					
Other Suppliers	Fortistar/Lockport Energy Associates, L.P.	Mark Younger		y	1.00	
Other Suppliers	FPL Energy	Doreen Saia		y	1.00	
Other Suppliers	Galt Power	Rick Mancini		y	1.00	
Other Suppliers	HQ Energy Services	Paul Norris		y	1.00	
Other Suppliers	KeySpan Energy Services	Jim D'Andrea	y	y		
Other Suppliers	Morgan Stanley Capital Group					
Other Suppliers	NRG Power Marketing	Tim Foxen		y	1.00	
Other Suppliers	NU / Select Energy	Jim Scheiderich		y	1.00	
Other Suppliers	Ontario Power Generation Inc.	Dave Barr		y		
Other Suppliers	PPM Energy	Glenn Haake		y	1.00	
Other Suppliers	PP&L Energy Plus	Joseph Langan		y	1.00	
Other Suppliers	PSEG Energy Resources & Trade	Howard Fromer		y	1.00	
Other Suppliers	Reliant Energy Services, Inc.	Liam Baker		y	1.00	
Other Suppliers	Sempra Energy Trading					
Other Suppliers	SESCO Enterprises, LLC					
Other Suppliers	Strategic Energy LLC	Rick Mancini		y	1.00	
Other Suppliers	Strategic Power Management, Inc.					
Other Suppliers	TransEnergie U.S. Ltd.		y			
Other Suppliers	Williams Power Company					
Public Power - Authorities	Long Island Power Authority	Kevin Jones		y	1.00	
Public Power - Authorities	New York Power Authority	William Palazzo		y		
Public Power - Environmental	American Wind Energy Association	Larry DeWitt		y	1.00	
Public Power - Environmental	Environmental Advocates	Larry DeWitt		y		
Public Power - Environmental	Nat'l Resources Defense Council	Larry DeWitt		y		
Public Power - Environmental	Pace University	Larry DeWitt		y		
Public Power - Environmental	Scenic Hudson	Larry DeWitt		y		
Public Power - Munis & Co-ops	Bath Electric, Gas & Water Systems	Tim Bush		y	1.00	
Public Power - Munis & Co-ops	City of Jamestown Board of Pub. Util.	David Gustafson		y	1.00	
Public Power - Munis & Co-ops	Lake Placid Village	Tim Bush		y	1.00	
Public Power - Munis & Co-ops	Municipal Commission of Boonville	Tim Bush		y	1.00	
Public Power - Munis & Co-ops	Plattsburgh Municipal Lighting Dept.	Tim Bush		y	1.00	
Public Power - Munis & Co-ops	Village of Arcade	Tim Bush		y	1.00	
Public Power - Munis & Co-ops	Village of Fairport	Tim Bush		y	1.00	
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	1.00	
Public Power - Munis & Co-ops	Village of Solway	Tim Bush		y	1.00	
Public Power - Munis & Co-ops	Village of Westfield	Tim Bush		y	1.00	
Transmission Owners	Central Hudson Gas & Electric	John Watzka		y	1.00	
Transmission Owners	Consolidated Edison	Stuart Nachmias		y	1.00	
Transmission Owners	National Grid	Jerry Ancona		y	1.00	
Transmission Owners	NY State Electric Gas (NYSEG)	Ray Kinney		y		
Transmission Owners	Orange & Rockland, Inc.		y			
Transmission Owners	Rochester Gas & Electric	Ray Kinney	y	y		
Non-voting	Boundless Energy, L.L.C		y			
Non-voting	Caithness Energy, L.L.C		y			