

NYISO Management Committee Meeting

November 9, 2005

Con Edison, New York

MOTIONS FROM THE MEETING

Motion #1:

Motion to approve the Minutes from the October 11, 2005 MC meeting.
(Motion passed unanimously by show of hands)

Motion #2:

The Management Committee recommends that the Board of Directors approve the proposed Rate Schedule #1 Revenue Requirement Budget of \$133.1 million for the 2006 budget year as described in the presentation materials for the October 11, 2005 and November 9, 2005 Management Committee meetings. This budget represents the funding level required to meet NYISO's key objectives and projects scheduled for 2006 while staying within the 2006 target budget. The Management Committee also recommends that the Revenue Requirements Budget of \$133.1 million be subject to the following provisions:

- a. **Cash Expenditures** – Total amount of budgeted cash expenditures should be \$171.4 million or less.
- b. **Rate Schedule #1** – The budgeted Rate Schedule #1 charges should be equal to or less than \$.802 /mwh.
- c. **Spending Under-runs** – If a spending under-run occurs, the related funds should be utilized to pay down the principal amount of outstanding debt. This policy was adopted in 2003 and should continue to apply for the five-year duration of the 2006 financing.
- d. **Volume variances-** Rate Schedule#1 over-collection as of December 31, 2005 resulting from volume variances should be utilized to pay down the principal amount of outstanding debt. Future over-collections related to transactional volume variances, if any, should also be utilized to retire debt. The NYISO will manage under-collections related to transactional volumes, if any, in conjunction with anticipated borrowings and spending variances so that market participants are not assessed an increase to Rate Schedule #1 during any budget year.
- e. **Obligation for Repayment** – In approving the 2006 budget, the Management Committee acknowledges and agrees that the cost of financing 2003, 2004, 2005 and 2006 projects must be repaid in the future NYISO budgets that cover the relevant amortization periods.
- f. **2007 and 2008 Budget Targets** – In approving the 2006 budget, the Management Committee reaffirms its support for the 2007 and 2008 budget targets adopted for the purpose of input and guidance at the November 12, 2003 Management Committee meeting.

(Motion passed by majority show of hands with abstentions)

Motion #3:

WHEREAS, the ESPWG and TPAS have held a series of meetings with NYISO Staff to discuss and review the studies and analyses underlying the NYISO's findings of reliability needs in New York State; and

WHEREAS, NYISO Staff has provided the Reliability Needs Assessment to the Management Committee for consideration and action at its November 9, 2005 meeting, which is comprised of two documents, (i) a CRRP Reliability Needs Assessment ("RNA") Executive Summary, dated November 1, 2005 and (ii) CRPP Supporting Documents and Appendices ("Supporting Documentation") dated November 2, , 2005, and

Whereas, based on the presentation made by the NYISO at the November 1, 2005 OC meeting and the information available from, and presented by, the NYISO to Market Participants as of that time, the OC concurred with the findings of the RNA Executive Summary, dated October 31, 2005 as revised at the 11/1/05 OC meeting.

WHEREAS, at the time of the OC meeting, revisions remained to be made to the Supporting Documentation to conform it with the findings of the RNA before it was submitted to the MC for discussion and action.

WHEREAS, NYISO Staff has made a presentation of its reliability needs findings based on these two documents at the 11/9/05 MC meeting.

NOW THEREFORE, based on the presentation made by the NYISO at the November 9, 2005 MC meeting and the information available from, and presented by, the NYISO to Market Participants as of that time, the MC hereby concurs with the findings of the RNA Executive Summary, dated November 1, 2005 and the Supporting Documentation dated November 2, 2005.

The MC further recommends that the ISO Board approve these findings.

(Motion passed by majority show of hands with abstentions)

New York Independent System Operator - Committee Membership

Management Committee - Attendance November 9, 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		✓ John Dowling	
Alcoa/Reynolds Metals Company	End Use - Large Consumer	Robert Loughney	✓ Michael Mager	Morgan Parke					
Helmley-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					
Indeck Energy Services	Generation Owners	Mike Ferguson	John Schrage	✓ Mark Younger					✓ Glenn Haake
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							
Amerada Hess Corporation	Other Suppliers	Hemant Jain	Kevin Laguardia	Blas Hernandez	George Braulke				
Brascan Energy Marketing Inc.	Other Suppliers	Robert Ricketts	Daniel Whyte						
Cinergy Capital and Trading	Other Suppliers	✓ John Deeds	Walt Yeager						
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						
Constellation Energy Commodities, Inc.	Other Suppliers	✓ Glen McCartney	Dan Allegretti	Sara O'Neill					
Constellation New Energy Inc.	Other Suppliers	Michael Constantine	Sara O'Neill						
Consumer Powerline	Other Suppliers	Vinay Gupta	Mike Gordon	Ray Stirbys	Chau Shen				
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	Tom Gesicki	✓ Mark Younger	✓ 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						
PP&L Energy Plus	Other Suppliers	✓ Tom Hyzinski	John Brodbeck	✓ Joseph Langan	Sharon Weber				

New York Independent System Operator - Committee Membership

Management Committee - Attendance November 9, 2005 - Albany, NY - Parties Checked in Attendance

Organization	Sector	Representative	Alternate1	Alternate2	Alternate3	Alternate4	Alternate5	Proxy	Guest
PSEG Energy Resources & Trade	Other Suppliers	✓ Howard Fromer	Michael LaFalce						
Reliant Energy Services, Inc.	Other Suppliers	✓ Liam Baker	Mark Sudbey	John Orr					
Sempra Energy Trading	Other Suppliers	Dan Staines	Maria Agovino	Scott Englander	Barry Trayers				
SESCO Enterprises, LLC	Other Suppliers	Mike Schubiger	Jim Thoresen						
Strategic Energy LLC	Other Suppliers	Other Suppliers	Jason Barker	Pamela Melton					
Strategic Power Management, Inc.	Other Suppliers	✓ Mario DiValentino	Thomas Folchi						
TransEnergie U.S. Ltd.	Other Suppliers	Raymond Cox	Michael Jacobs						
Williams Power Company	Other Suppliers	Other Suppliers	David Singer	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					✓ Tom Concadoro
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					✓ M Sasson
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			✓ S. Jeremko
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								
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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:

✓ Mark Lynch	NYISO
✓ Ira Freilicher	Hunton & Williams
✓ Brad Kranz	NYISO
✓ Mary McGarvey	NYISO
✓ Carl Patka	NYISO
✓ John Buechler	NYISO

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✓ Frank Francis	NYISO								
✓ Rob Fernandez	NYISO								
✓ Steve Lemme	NYISO								
✓ Ernie Cardone	NYISO								
✓ Rich Dewey	NYISO								
✓ Leigh Bullock	NYISO								
✓ Ray Stalter	NYISO								
✓ Debbie Eckels	NYISO								
✓ Rich Dewey	NYISO								
✓ Elaine Robinson	NYISO								

Key:

✓ = In attendance