

NYISO Management Committee Meeting

Special Meeting by Conference Call

September 20, 2002

Draft **MINUTES OF THE MEETING**

1. Introduction and Meeting Objectives

Mr. Hiney called the meeting to order at 1:02 PM and welcomed the members of the Management Committee ("MC"). He announced there would be no action taken by the MC related to the TCC Credit Policy, and reversed the order of the two agenda items.

2. Motion to Approve Bad Debt Credit Policy

Mr. Freilicher began the discussion of the Bad Debt Credit Policy. He attributed the confusion, exhibited at the previous MC meeting, to the conflict between the proposed policy and the tariff. He reported that filing the policy as an appendix to the tariff could eliminate the conflict. Mr. Freilicher also informed the committee that the policy, to be voted on for approval, was a combination of the first page of the written policy distributed for the September 12th MC meeting, with redline edits, and all other pages, except the first page, of the written policy distributed for the September 12th MC meeting.

Ms. Saia proposed changing the term Market Participant, in the last paragraph of the first page of the policy to Transmission Customer. This change was accepted as a friendly amendment. Mr. Freilicher maintained that if the policy was not accepted, the tariff language would treat the collection of bad debt prospectively. Mr. Ragogna clarified that an official declaration of bad debt would not be made until after FERC approval of the proposed policy.

Ms. Douglas expressed her concern that the proposed policy had not received a consensus at any of the working groups before being brought to the MC. Mr. Scheiderich considered that it was possible for transmission owners to be collecting additional TSC revenues as a result of the Enron congestion rent issue, and held that TSC charges were under the governance of the NYISO. Mr. Ragogna replied that the NYISO would determine if it is appropriate to look into.

A motion to approve the proposed policy was made and seconded.

Motion #1:

Motion to approve the Bad Debt Losses Policy and Procedure as presented and amended at

the Management Committee on September 20, 2002.

Mr. Kinney posited that long-term participants would be penalized by the policy, as compared to more recent entrants to the market. Mr. Ragogna countered that the opposite would be true without the policy. Mr. Ragogna added that any eventual collection of funds from the defaulting party would be refunded to the entities from which bad debt revenues were collected. Mr. Ragogna also explained that interest would be assessed to the defaulting party after the time at which the default occurred.

(Motion passed with 62.07 % affirmative votes)

3. Discussion of TCC Credit Policy

Ms. Saia reported that, at the close of the September 12th MC meeting, the two unresolved issues concerning the TCC Credit Policy were, the question of netting contracts in bankruptcy proceedings, and the question of manually implementing the policy. She affirmed that, since the 9/12 meeting, the NYISO staff had determined a way to manually implement the policy. Mr. Fernandez reported that Hunton and Williams was continuing to analyze the question of bankruptcy proceedings. Ms. Saia expected that the issue would be properly vetted at a special BIC meeting before moving to approve the policy at the October 16th MC meeting. Mr. Mooney asked if "Part A" of the policy would be implemented if the policy was not implemented by FERC. Mr. Fernandez replied that the policy would be filed as soon as possible after the October 16th meeting and implemented after FERC approval.

4. Adjournment

The meeting adjourned at approximately 2:15 pm.

NYISO Management Committee Meeting

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MOTIONS FROM THE MEETING

Motion #1:

Motion to approve the Bad Debt Losses Policy and Procedure as presented and amended at the Management Committee on September 20, 2002.

(Motion passed with 62.07 % affirmative votes)

New York Independent System Operator - Committee Membership

Management Committee - Attendance September 20, 2002 - Via Conference Call - Parties Checked in Attendance

Organization	Sector	Representative	Alternate1	Alternate2	Alternate3	Alternate4	Alternate5	Proxy	Guest
NYS Energy Research & Develop. Auth. The City of New York	End Use - Gov. Agency/Aggr. End Use - Gov. Agency/Aggr.	Paul DeCotis ✓ Michael Delaney	✓ Jeffrey Gerber Richard Miller	Erin Hogan Scott Butler					
Alcoa/Reynolds Metals Company ATCO Management Co.	End Use - Large Consumer End Use - Large Consumer	Robert Loughney Peter DiCapua	✓ Michael Mager Scott Petersen	Michael Mager George Diamantopoulos	Jonathan Wallach				
IBM Corporation Occidental Chemical Corp.	End Use - Large Consumer End Use - Large Consumer	Robert Loughney Robert Loughney	✓ Michael Mager Robert Loughney	Michael Mager ✓ Michael Mager					
Praxair Inc. Xerox Corporation	End Use - Large Consumer End Use - Large Consumer	Christian Lenci Robert Loughney	Robert Loughney ✓ Michael Mager	✓ Michael Mager Michael Mager					
Metropolitan Transportation Authority Association for Energy Affordability, Inc.	End Use - Large Cons. Gov. End Use - Small Consumer	Jesse Samberg David Hepinstall	Gary Caplan Larry DeWitt	Walter McCarroll					
Beth Israel Health Care System Building and Realty Institute	End Use - Small Consumer End Use - Small Consumer	Catherine Luthin ✓ Herb Rose	✓ John Dowling Marjorie Ochrach	Jennifer Kearney Ted Lee	Tariq Niazi Judith Mondre	Doug Elfner Tariq Niazi			
Citizens Advisory Panel CNYC Inc. (Council of NY Coop & Condo)	End Use - Small Consumer End Use - Small Consumer	Gordian Raacke ✓ Herb Rose	Larry DeWitt MaryAnn Rothman	Marjorie Ochrach Jennifer Kearney	Ted Lee Tariq Niazi	Judith Mondre Doug Elfner	Tariq Niazi		
Columbia University Mount Sinai Medical Center	End Use - Small Consumer End Use - Small Consumer	Catherine Luthin Catherine Luthin	✓ John Dowling John Dowling	Jennifer Kearney Jennifer Kearney	Tariq Niazi Tariq Niazi	Doug Elfner Doug Elfner			
New York Energy Buyers Forum New York Presbyterian Hospital	End Use - Small Consumer End Use - Small Consumer	Marjorie Ochroch Catherine Luthin	Ted Lee ✓ John Dowling	David Bomke Jennifer Kearney	Tariq Niazi Tariq Niazi	Herb Rose Doug Elfner			
New York University Refined Sugars, Inc.	End Use - Small Consumer End Use - Small Consumer	Catherine Luthin John Gebhard	✓ John Dowling Quintin George	Jennifer Kearney Catherine Luthin	Tariq Niazi John Dowling	Doug Elfner Jennifer Kearney			
NY State Consumer Protection Board AES NY	End Use - State Agency Generation Owners	Tariq Niazi Christopher Wentlent	Doug Elfner Rick Santoroski	Charles Sjoberg					
American National Power, Inc. Astoria Energy LLC	Generation Owners Generation Owners	Dorothy Capra William May	Bill Henson Leonard Singer						
Calpine East Coast Power	Generation Owners Generation Owners	John Eff Gary Keevill	Thomas Kaslow Asavari Alvarez	Richard Felak					
Edison Mission Marketing & Trading Entergy Nuclear Northeast	Generation Owners Generation Owners	William Roberts Marc Potkin	Robert Agnello William Stone	Jeffrey Ellis ✓ Ron Mackowiak					
Indeck Energy Services KeySpan Ravenswood, Inc	Generation Owners Generation Owners	Mike Ferguson James Brennan	John Schrage Rich Hohlman	Mark Younger Dick Ackerson	James D'Andrea Couch White	Terrence Kain	Ron Lukas		
Mirant New York, Inc. NRG Energy	Generation Owners Generation Owners	None Assigned Joe DeVito	None Assigned Frank Rapley	✓ Doreen Saia Paul Savage	Marc Dworkin	Ruben Brown	Peter Chamberlain	Chris Young	
Orion Power New York PG&E Generating	Generation Owners Generation Owners	✓ John Reese ✓ Steve McDonald	Bruce Bleiweis Jeff Simmons						
PSEG Energy Resources & Trade Sithe Energies, Inc.	Generation Owners Generation Owners	✓ Howard Fromer None Assigned	Michael LaFalce ✓ Garry Brown	David Applebaum					
TransCanada Power Marketing Aaron Breidenbaugh	Generation Owners Non-voting	William Taylor Aaron Breidenbaugh	Elaine Beaudry						
Caithness Energy, L.L.C Cianbro Corporation	Non-voting Non-voting	None Assigned Chuck Hewett	Jack Feinstein John Tompkins						
Hudson River Energy Group NYS Department of Public Service	Non-voting Non-voting	Frank Radigan Saul Rigberg		Tom Dvorsky					
William P. Short 1st Rochdale Cooperative NYC	Non-voting Other Suppliers	William Short Gregory Wortham	Marc Schaefer	Joe DeVito	John Brodbeck	Ron Matlock	Paul Savage	Roberto Denis	
Advantage Energy, Inc. Amerada Hess Corporation	Other Suppliers Other Suppliers	Kyle Storie Hemant Jain		Kevin Laguardia Keith Mills					
American Electric Power (AEP) Svc. Corp. Aquila Energy Marketing Corp.	Other Suppliers Other Suppliers	Ron McNamara Jason Stever	Tom Chapman Peter Brown	David Wiesner	Pamela VanHorn	✓ Richard Mooney	Susan Chamberlin		
Cinergy Capital and Trading Con Edison Energy	Other Suppliers Other Suppliers	Walt Yeager Ken Bekman	Jan Bagnall Ivan Kimball						
Con Edison Solutions Conectiv	Other Suppliers Other Suppliers	Ken Bekman Steve Huntoon	✓ Stephen Wemple Bill Fehr						
Constellation Power Source Coral Power, LLC	Other Suppliers Other Suppliers	Daniel Allegritti Marc Overdyk	✓ Harvey Reed Glen McCartney		Mary Lynch				
Dominion Energy Marketing, Inc. Duke Energy North America, LLC	Other Suppliers Other Suppliers	Lou Oberski Ronald Matlock	Harold Adams Del Disher	Tom Bankert					
Dynegy El Paso Merchant Energy	Other Suppliers Other Suppliers	Matthew Picardi Gary Keevill	✓ Reed Armstrong Asavari Alvarez						
Energetix, Inc. Exelon Generation - Power Team	Other Suppliers Other Suppliers	Barney Farnsworth Linda Clarke	✓ Garry Brown David Applebaum		Regina Carrado	Eric Olson			
FPL Energy HQ Energy Services	Other Suppliers Other Suppliers	Roberto Denis Benoit Goyette	Bill Fenerty Michel Prevost	Paul Norris	Joel Zipp	Gunnar Birgisson			
KeySpan Energy Services	Other Suppliers	Ron Lukas	Ruben Brown	Peter Chamberlain	John Smith				

New York Independent System Operator - Committee Membership

Management Committee - Attendance September 20, 2002 - Via Conference Call - Parties Checked in Attendance

Organization	Sector	Representative	Alternate1	Alternate2	Alternate3	Alternate4	Alternate5	Proxy	Guest
Morgan Stanley Capital Group	Other Suppliers	Patrick Murray	Karen Kochonies	Levon Kazarian	Doron Ezickson				
New Energy Inc.	Other Suppliers	Peter Duprey	Carrie CullenHitt	Steve Fernands					
NU / Select Energy	Other Suppliers	Gunnar Jorgensen	✓ James Scheiderich						
Ontario Power Generation Inc.	Other Suppliers	✓ Barry Green	Tasos Karatsoreos	Ken Lacivita					
PP&L Energy Plus	Other Suppliers	John Brodbeck		Roger Dolan		Garreth Kirkner			
Reliant Energy Services, Inc.	Other Suppliers	Bruce Bleiweis	✓ John Reese						
Sempra Energy Trading	Other Suppliers	Tom Halleran	Dana Volpe	✓ Russel Like	Mally Becker	Bob Chilton			
Strategic Energy LLC	Other Suppliers	Michael Swider	Jeffrey Knox	James McCormick	Helen Caldwell				
Strategic Power Management, Inc.	Other Suppliers	Dan Duthie	Mario DiValentino						
Transalta (formerly MEGA)	Other Suppliers	None Assigned	John Carmody						
TransÉnergie U.S. Ltd.	Other Suppliers	José Rotger	Michael Jacobs						
Williams Energy Marketing & Trading Co.	Other Suppliers	Marji Philips	David Singer	Dennis Keener					
Long Island Power Authority	Public Power - Authorities	✓ Jim Parmelee	Seth Hulkower	Alan Elberfield				✓ Bill Koagoar	
New York Power Authority	Public Power - Authorities	✓ Robert Hiney	✓ William Palazzo	Kim Byham					
American Wind Energy Association	Public Power - Environmental	David Wooley	Larry DeWitt						
Environmental Advocates	Public Power - Environmental	Anne Reynolds	Larry DeWitt						
Nat'l Resources Defense Council	Public Power - Environmental	Dale Bryk	Larry DeWitt						
Pace University	Public Power - Environmental	Edward Smeloff	Larry DeWitt						
Scenic Hudson	Public Power - Environmental	Larry DeWitt							
Bath Electric, Gas & Water Systems	Public Power - Munis & Co-ops	Paul Pallas	Matthew Benesh	Jim Hamilton	Jack Brown	Ken Moore		✓ Tom Rudebusch	
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					
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				✓ Mayer Sasson	
National Grid	Transmission Owners	Jerry Ancona	Wes Yeomans	Peter Flynn	Herb Schrayshuen				
NY State Electric Gas (NYSEG)	Transmission Owners	Hank Masti	Denis Wickham	Clifton Olson	Laurie King-Pirchner	✓ Ray Kinney			
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							
New Member	Non-voting	None Assigned							

NYISO and Hunton & Williams Members in Attendance:

✓ Ira Freilicher	Hunton & Williams
✓ Rob Fernandez	NYISO
Dominic Cordisco	NYISO
Bill Museler	NYISO
Chuck King	NYISO
✓ Mollie Lampi	NYISO
✓ Andy Ragogna	NYISO
✓ Elaine Robinson	NYISO
✓ Kristen Kranz	NYISO
✓ Leigh Bullock	NYISO
✓ Ray Stalter	NYISO
✓ Dave Evanoski	NYISO
✓ Phil Gootee	NYISO
✓ John Cutting	NYISO
✓ Ernie Cardone	NYISO

Key:

✓ = In attendance

New York Independent System Operator

Management Committee - September 20, 2002

Motion: Motion #1

Result: Motion Passed

Sector with base percent	%	Active	Quorum	Adj. Percent	For	Against	Abstain	% For	% Against	
Generation Owners	21.5	✓	✓	21.50	4.00	0.00	0	21.50	0.00	
Other Suppliers	21.5	✓	✓	21.50	7.00	0.00	1	21.50	0.00	
Transmission Owners	20.0	✓	✓	20.00	1.00	1.00	1	10.00	10.00	
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	0	0.00	0.00	
Gov. Sm. Cons. & Retail Aggr.	1.8	✓		1.80	0.00	2.00	0	0.00	4.50	
Public Power			✓							
State Power Authorities	8	✓		9.07	2.00	0.00	0	9.07	0.00	
Munis and Coops	7	✓		7.93	0.00	6.00	0	0.00	7.93	
Environmental	2	✓		0.00	0.00	0.00	0	0.00	0.00	
				5	100.00	14.00	22.00	2	62.07	37.93
					100.00	Normalized to 100% :		62.07	37.93	

New York Independent System Operator

Management Committee - September 20, 2002

Motion Motion #1

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	Michael Mager		y		1.00
End Use - Large Consumer	ATCO Management Co.					
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	Association for Energy Affordability, Inc.					
End Use - Small Consumer	Beth Israel Health Care System	John Dowling		y		1.00
End Use - Small Consumer	Building and Realty Institute	Herb Rose		y		1.00
End Use - Small Consumer	Citizens Advisory Panel					
End Use - Small Consumer	CNYC Inc. (Council of NY Coop & Condo)	Herb Rose		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					
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					
Generation Owners	AES NY					
Generation Owners	American National Power, Inc.					
Generation Owners	Astoria Energy LLC					
Generation Owners	Calpine					
Generation Owners	East Coast Power		y			
Generation Owners	Edison Mission Marketing & Trading					
Generation Owners	Entergy Nuclear Northeast	Ron Mackowiak		y	1.00	
Generation Owners	Indeck Energy Services					
Generation Owners	KeySpan Ravenswood, Inc					
Generation Owners	Mirant New York, Inc.	Doreen Saia		y	1.00	
Generation Owners	NRG Energy					
Generation Owners	Orion Power New York	John Reese	y	y		
Generation Owners	PG&E Generating	Steve McDonald		y	1.00	
Generation Owners	PSEG Energy Resources & Trade	Howard Fromer		y	1.00	
Generation Owners	Sithe Energies, Inc.	Garry Brown	y	y		
Generation Owners	TransCanada Power Marketing					
Non-voting	Aaron Breidenbaugh		y			
Non-voting	Caithness Energy, L.L.C		y			
Non-voting	Cianbro Corporation		y			
Non-voting	Hudson River Energy Group		y			
Non-voting	NYS Department of Public Service		y			
Non-voting	William P. Short		y			
Other Suppliers	1st Rochdale Cooperative NYC					
Other Suppliers	Advantage Energy, Inc.					
Other Suppliers	Amerada Hess Corporation					
Other Suppliers	American Electric Power (AEP) Srvc. Corp.					
Other Suppliers	Aquila Energy Marketing Corp.	Richard Mooney		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 Power Source	Harvey Reed		y	1.00	
Other Suppliers	Coral Power, LLC					
Other Suppliers	Dominion Energy Marketing, Inc.					
Other Suppliers	Duke Energy North America, LLC					
Other Suppliers	Dynegy	Reed Armstrong		y	1.00	
Other Suppliers	El Paso Merchant Energy					
Other Suppliers	Energetix, Inc.		y			
Other Suppliers	Exelon Generation - Power Team	Garry Brown		y	1.00	
Other Suppliers	FPL Energy					
Other Suppliers	HQ Energy Services					
Other Suppliers	KeySpan Energy Services		y			
Other Suppliers	Morgan Stanley Capital Group					
Other Suppliers	New Energy Inc.		y			
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					
Other Suppliers	Reliant Energy Services, Inc.	John Reese		y	1.00	
Other Suppliers	Sempra Energy Trading	Russel Like		y	1.00	
Other Suppliers	Strategic Energy LLC					
Other Suppliers	Strategic Power Management, Inc.					
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	Robert Hiney		y	1.00	
Public Power - Environmental	American Wind Energy Association					
Public Power - Environmental	Environmental Advocates					
Public Power - Environmental	Natl Resources Defense Council					
Public Power - Environmental	Pace University					
Public Power - Environmental	Scenic Hudson					
Public Power - Munis & Co-ops	Bath Electric, Gas & Water Systems	Tom Rudebusch		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.	Tom Rudebusch		y	1.00	
Public Power - Munis & Co-ops	Village of Fairport	Tom Rudebusch		y	1.00	
Public Power - Munis & Co-ops	Village of Freeport					
Public Power - Munis & Co-ops	Village of Rockville Centre	Tom Rudebusch		y	1.00	
Public Power - Munis & Co-ops	Village of Westfield	Tom Rudebusch		y	1.00	
Transmission Owners	Central Hudson Gas & Electric	Charles Freni		y	1.00	
Transmission Owners	Consolidated Edison	Mayer Sasson		y	1.00	
Transmission Owners	National Grid					
Transmission Owners	NY State Electric Gas (NYSEG)	Ray Kinney		y		