

NYISO Management Committee Meeting

April 19, 2004

Consolidated Edison
New York, NY

Draft MINUTES OF THE MEETING

1. Introduction and Meeting Objectives

Joe Oates, Chairman, called the meeting to order at 12:33 p.m. and welcomed the members of the Management Committee ("MC"). The only meeting action item is to approve the minutes of the previous meeting. Mr. Oates announced that the Project Prioritization Team will be meeting Wednesday of this week. Mr. Oates will report findings. The May 5th MC meeting will be a conference call. The July MC meeting will be in Saratoga Springs. On July 6, the MC members will have a golf outing at their own expense. Today at 3pm there will be an oral argument in the two IPPNY appeals of Management Committee actions regarding in which sector(s) DRPs and DGs should participate in stakeholder governance.

2. Approval of the Minutes

Motion #1:

Motion to approve the Minutes of March 2, 2004 MC meeting.

Motion Passed unanimously.

3. President's Report

Market Performance Highlights

Charles King of the NYISO reported that average costs for March 2004 were 34% less than March 2003 primarily due to moderate weather and lower fuel prices. The average monthly price for gas (in \$/mmBTU) was below that of Kerosene and No.2 fuel oil for the second month in a row. Virtual Load and Supply MW's have been increasing since January, as well as the percentages of Virtual Load accepted in the DAM. Revised Regulation Requirements went into effect on April 1, 2004.

Standard Market Design ("SMD") 2.0 Update

Mr. King gave an update on SMD 2.0. Software defect validation has been completed for all the high severity software bugs from the Phase I Factory Acceptance Tests ("FAT"). This contract milestone was reached on schedule, as per the revised project plan. ABB software development activities for SMD Phase 2a were completed on schedule at the end of March. The SCADA/EMS software pre-FAT testing has been completed at the ABB facility, and Business Management Software ("BMS") pre-FAT testing is underway. The Phase 2a SCADA/EMS Factory Acceptance Testing started on schedule at the NYISO facility on April 13th. The SCADA/EMS FAT is scheduled to take three (3) weeks. The FAT for the BMS software is scheduled to start on May 3rd. The NYISO site testing and Market Trials plan are proceeding successfully. Upload/Download testing has started with NYPA; the full sandbox for all the MP's will be made available as soon as those tests are complete. A second SMD Technical Conference was held on March 31st. The target audience was market trial test participants, and the session was well attended.

Presentation of Extraordinary Costs

Mr. King discussed the Extraordinary Cost process, and provided the status. A total of 22 claims have been received. Payments have been made for Emergency Energy purchases and reimbursement of extraordinary expenses incurred because of NYISO directions during the system restoration. The committee designated to review the claims has approved and and \$1, 207,444.08 in claims submitted to the NYISO YTD has been paid in the April 2004 invoice. There are four claims outstanding.

Report on Market Participant Readiness for SMD

This plan was developed to ensure Customers are aware of upcoming SMD training and testing activities. The plan is designed to reduce issues requiring resolution during deployment, and also to decrease the likelihood of unfavorable market impacts during deployment. The President's Report (April 2004) details the Readiness Program process, with timeframes for the major activities.

Training opportunities/dates defined thus far include:

NYMOC - April 19-22 and June 8-11;

SMD2 Transition Course - May 4, 6, 13, 17 and June 2;

SMD2 Transition for Accounting Staffs- May 17-18 (Includes May 17 SMD2 Transition).

Elaine Robinson informed the group that the Business Issues Committee ("BIC").will be asked to undertake a review of whether the NYISO's code of conduct appropriately addresses market participant - NYISO communications and to and propose appropriate modifications if necessary.

4. Update on Seams and Market Improvement Projects

Mr. King reported the following progress in resolving Seams Issues and Market Improvement Projects:

Facilitated Checkout – work is moving along.

E-Tagging – will be deployed next month.

Elimination of Rate Pancaking – There is a meeting later this week between regulators in NY and NE to discuss the elimination of pancaked rates across the NY NE Control Area border.

Coordination of Cross-Sound Cable – The NYISO is in the process of finalizing a contract with the selected Scheduling Administrator. NYISO is also working on the End-State solution, to be deployed for Summer 2005.

Mr. King reported on the Quarterly Seams Meeting held in NYC on April 8, 2004. The NYISO will email each “sector” asking each sector to name their respective representatives in order to keep everyone apprised of upcoming meetings. The team added clarifying comments from HQ on their participation in facilitated checkout, as well as LIPA’s interest in selling reserves into NE under the new Issue Under Discussion (Reserves Participation in Adjacent Regional Markets). The team added general cross-border controllable lines as a new project, and discussed interest in getting an update on E-Tagging within NY Market Services Working Group. Several requests were made to revisit this issue at the May MC meeting.

5. New Business

Wes Yeomans of National Grid (“NG”) commented on the methodology the NYISO uses to allocate congestion rent shortfalls. The NYISO is not yet using the new congestion allocation procedure and NG feels using the old allocation process is not proper. Mr. Yeomans stated that NG’s TSC and retail rates are incorrect due to the absence of the proper congestion shortfall allocation. NG is interested in what asset outages affect the amount of congestion rent shortfall they are paying. NYISO is working diligently to resolve the barriers to deployment of the new congestion shortfall methodology and is looking to get this out to the marketplace ASAP.

Mike Calimano of the NYISO reported on the NERC readiness audit. The audit was completed last week, with no negative comments from NERC.

Meeting adjourned at approximately 13:42 PM.

NYISO Management Committee Meeting

April 19, 2004

Consolidated Edison, New York, NY

MOTIONS FROM THE MEETING

Motion #1:

Motion to approve the Minutes from the March 2, 2004 MC meeting.

(Motion passed unanimously by show of hands)

New York Independent System Operator - Committee Membership

Management Committee - Attendance April 19, 2004 - Consolidated Edison, NY, 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	Scott Butler	Jonathan Wallace				
Alcoa/Reynolds Metals Company	End Use - Large Consumer	Robert Loughney	✓ Michael Mager						
ATCO Management Co.	End Use - Large Consumer	Peter DiCapua	Scott Petersen	George Diamantopoulos					
IBM Corporation	End Use - Large Consumer	Robert Loughney	✓ Michael Mager						
Occidental Chemical Corp.	End Use - Large Consumer	Robert Loughney	✓ Michael Mager						
Praxair Inc.	End Use - Large Consumer	Robert Loughney	✓ Michael Mager						
Xerox Corporation	End Use - Large Consumer	Robert Loughney	✓ Michael Mager						
Metropolitan Transportation Authority	End Use - Large Cons. Gov.	✓ Jesse Samberg	Gary Caplan	Walter McCarroll					
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				
CNYC Inc. (Council of NY Coop & Condo)	End Use - Small Consumer	✓ Herb Rose	MaryAnn Rothman	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 Energy Buyers Forum	End Use - Small Consumer	✓ Herb Rose	David Bomke	✓ Tariq Niazi					
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			
Refined Sugars, Inc.	End Use - Small Consumer	John Gebhard	Quintin George	Catherine Luthin	✓ John Dowling	Jennifer Kearney			
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	Greg Banhazl	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	Robert Agnello	Jeffrey Ellis	✓ Peter Brown	Rich Mooney	Pam Van Horn		
Entergy Nuclear Northeast	Generation Owners	Marc Potkin	Angelo Vai	Ron Mackowiak					
Indeck Energy Services	Generation Owners	Mike Ferguson	John Schrage	✓ Mark Younger					
KeySpan Ravenswood, LLC	Generation Owners	James Brennan	Rich Hohlman	Joseph Vignola	James D'Andrea	Terrence Kain	Rich Rapp		
Mirant New York, Inc.	Generation Owners	Susann Felton	✓ Doreen Saia	Vicki Lynch					
Orion Power New York	Generation Owners	✓ Liam Baker	Bill Berg						
Selkirk Cogen Partners, L.P.	Generation Owners	Tim Blittig	Steve Kamppila						
Sithe Energies, Inc.	Generation Owners	Linda Clarke	✓ David Applebaum	Regina Carrado					
TransCanada Power Marketing	Generation Owners	William Taylor	Elaine Beaudry						
1st Rochdale Cooperative NYC	Other Suppliers	Gregory Wortham							
Advantage Energy, Inc.	Other Suppliers	Kyle Storie							
Agway Energy Services, Inc.	Other Suppliers	Russell Miller	✓ Jim Scheiderich						
Amerada Hess Corporation	Other Suppliers	Hemant Jain	Kevin Laguardia	Blas Hernandez					
Cinergy Capital and Trading	Other Suppliers	Jason Barker	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 New Energy Inc.	Other Suppliers	Peter Duprey	Carrie CullenHitt	Steve Fernands	Susan Chamberlin				✓ Sara O'Neill
Constellation Power Source	Other Suppliers	Daniel Allegretti	✓ Glen McCartney	Mary Lynch	Carrie CullenHitt				
Coral Power, LLC	Other Suppliers	Matt Picardi	Marc Overdyk	Dave French					
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	✓ Alan Foster	Jason Cox	Kevin White	Tom May	Steve Vavrik			
ECONergy	Other Suppliers	Saul Horowitz	Tom Halleran						
El Paso Merchant Energy	Other Suppliers	Jeff Moore	Asavari Alvarez						
Exelon Generation - Power Team	Other Suppliers	Linda Clarke	✓ David Applebaum	Regina Carrado					
Fortistar/Lockport Energy Associates, L.P.	Other Suppliers	Roger Kelley	Tom Gesicki	✓ Mark Younger	Glenn Haake				
FPL Energy	Other Suppliers	Fernando DaSilva							
HQ Energy Services	Other Suppliers	✓ Christian Desilets	✓ Michel Prevost	Paul Norris	Benoit Goyette				
KeySpan Energy Services	Other Suppliers	Terrence Kain	James 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	✓ Tasos Karatsoreos	Ken Lacivita	Scott McArthur	Glenn Haake			

New York Independent System Operator - Committee Membership

Management Committee - Attendance April 19, 2004 - Consolidated Edison, NY, NY - Parties Checked in Attendance

Organization	Sector	Representative	Alternate1	Alternate2	Alternate3	Alternate4	Alternate5	Proxy	Guest
PP&L Energy Plus	Other Suppliers	✓ John Brodbeck	Roland Moor	David Smith					
PSEG Energy Resources & Trade	Other Suppliers	Howard Fromer	Michael LaFalce						
Reliant Energy Services, Inc.	Other Suppliers	✓ Liam Baker	Bill Berg						
Sempra Energy Trading	Other Suppliers	Dan Staines	Maria Agovino	Scott Englander	Robert Fagan				
SESCO Enterprises, LLC	Other Suppliers	Mike Schubiger	Jim Thoresen						
Strategic Energy LLC	Other Suppliers	✓ Francis Pullaro	Michael Swider	Jeffrey Knox	James McCormick	Matt Morais			
Strategic Power Management, Inc.	Other Suppliers	✓ Dan Duthie	Mario DiValentino						
TransEnergie U.S. Ltd.	Other Suppliers	José Rotger	Michael Jacobs						✓ Glenn Sylvain
Williams Energy Marketing & Trading Co.	Other Suppliers	David Singer	Dennis Keener	Robert O'Connell					
Long Island Power Authority	Public Power - Authorities	Jim Parmelee	Bill Killgoar		✓ Kevin Jones				
New York Power Authority	Public Power - Authorities	Robert Hiney	✓ William Palazzo	Seth Hulkower					
American Wind Energy Association	Public Power - Environmental	Valerie Strauss	Larry DeWitt	Kim Byham					
Environmental Advocates	Public Power - Environmental	Anne Reynolds	Larry DeWitt	Douglas Ward	Mike Jacobs				
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	✓ Tim Bush	Jim Hamilton	Matthew Benesh	Ken Moore	Jack Brown			
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	✓ Tim Bush	✓ Paul Pallas					
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						
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 Westfield	Public Power - Munis & Co-ops	Jim Hamilton	✓ Tim Bush	Paul Pallas	Matthew Benesh	Jack Brown	Ken Moore		
Central Hudson Gas & Electric	Transmission Owners	Charles Freni	✓ John Watzka						
Consolidated Edison	Transmission Owners	✓ Joe Oates	Terry Agriss	✓ Neil Butterklee					
National Grid	Transmission Owners	Jerry Ancona	✓ Wes Yeomans	Peter Flynn	Herb Schrayshuen	Bart Franey	Masheed Rosenqvist		✓ Paul Gioia
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 Corporation	Non-voting	Chuck Hewett	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							
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					✓ John Reese	
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	None Assigned							
zNew Member	Non-voting	None Assigned							

NYISO and Hunton & Williams Members in Attendance:

Ira Freilicher	Hunton & Williams
Kathy Robb	Hunton & Williams
James Schmidt	Hunton & Williams
Rob Fernandez	NYISO
✓ Mike Calimano	NYISO
✓ Chuck King	NYISO
✓ Mollie Lampi	NYISO
✓ Mike Jaeger	NYISO
✓ Garry Brown	NYISO
✓ Elaine Robinson	NYISO
✓ Kristen Kranz	NYISO
✓ Leigh Bullock	NYISO
✓ Ray Stalter	NYISO
✓ Debbie Eckels	NYISO

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✓ Aaron Breidenbaugh	NYISO								
Dave Evanoski	NYISO								
Phil Gootee	NYISO								
John Cutting	NYISO								
✓ Jane Lathrop	NYISO								
✓ Ernie Cardone	NYISO								
✓ Belinda Thornton	NYISO								
✓ Kathy Whitaker	NYISO								
Andrew Hartshorn	NYISO/LECG								

Key:

✓ = In attendance