

NYISO Management Committee Meeting

May 5, 2004

Teleconference

Draft MINUTES OF THE MEETING

1. Introduction and Meeting Objectives

Chairman Joe Oates of Consolidated Edison called the meeting to order at 10:11 AM and welcomed the members of the Management Committee ("MC"). Changes to the agenda include the elimination of a vote on agenda item #4, Elimination of TSC's and NTAC's for Exports and Wheels-through to New England. This will be discussed at the June MC meeting.

Larry DeWitt discussed the highlights of the Project Priority Team meeting. Mr. DeWitt stated the materials have been posted on NYISO's MDEX site, under the MC section. Standard Market Design ("SMD") Sandbox testing is underway, and no major problems have been detected so far. June's MC meeting will be an in person meeting.

2. President's Report

William Museler of the NYISO clarified the process of hiring the new CEO/President of the NYISO. A committee of five directors was established by Chairman Boston to ensure agreement on position description. Members having suggestions or input on the hiring process should contact Paul Benson of Heidrick and Struggles.

Mr. Museler discussed the market performance highlights of April 2004.. LBMP's are up slightly in the DAM and RT though they remain low relative to April 2003. Fuel prices have remained stable for April. The hourly regulation requirements were changed on April 1, 2004, with an average hourly decrease of 65MW per hour (the maximum change was 125 MW and the minimum change was zero) MM&P continues to closely monitor this market. Changes to the AMP in the legacy system were deployed on May 1, 2004. MM&P will be monitoring the markets and assessing the impact of the new software. E-tagging software deployed as well. Minor problems arose with the IMO, but since have been resolved without software changes.

Mr. Museler stated that SMD2 testing is underway, and he expressed appreciation to the New York Power Authority for helping in the beta testing. Customer Relations will continue to implement the readiness plan that was developed to ensure smooth transition to the SMD systems. Customer Relations will contact those participants who do not participate in the testing phases.

Final Factory Acceptance Testing ("FAT") at the NYISO for the SMD platform is underway. The major milestone for successful completion of the FAT for SMD is May 28.

Mr. Museler commented about Extraordinary Costs from the August 14 system disturbance. The March invoice paid out \$1,207,444.08, and denied \$1,639,349.35 in claims. For April, an estimated 1.3 million will be paid out, with denials totaling about 1.7 million. Currently, there are approximately 1 million dollars in outstanding claims that need review. Mr. Museler stated that the Extraordinary Cost Claims committee would reach resolution on the outstanding claims by the June MC meeting.

Where organization's claims were partially or completely denied, Mollie Lampi of the NYISO stated that formal notification would go out. Kathy Whitaker of the NYISO stated that customer relations staff, preceding the formal notification, contacted all of the organizations whose claims that were partially or completely denied. Mr. Oates of Consolidated Edison asked for a detailed report when all Extraordinary Costs have been paid. Mr. Museler stated that a wrap-up of the Extraordinary Costs should be presented at the June MC meeting.

3. Update on Seams and Market Improvement Projects

Charles King of the NYISO commented on the Virtual Regional Dispatch ("VRD"). The initial draft working paper is being revised to incorporate recent market participant input on the proposal. The proposal would be available for review. The Scheduling and Pricing and Market Structures Working Groups will meet jointly to discuss the straw proposal on VRD. The date will be announced as soon as it scheduled. A joint meeting with ISONE is planned for May 25. Notifications will be sent out with the meeting time and location. The overall technical definition and stakeholder approval is slated for completion in autumn of 2004 with implementation subject to stakeholder approval and prioritization.

Mr. King commented on the interim Cross Sound Cable ("CSC") project. The contract with the Scheduling Administrator has not been signed. Work will continue to get the contract in place as soon as possible. A technical bulletin will be created to document the process of scheduling on the CSC. Doreen Saia of Mirant asked if there would be any changes in the scheduling for, and use of, the Northport-Norwalk cable lines for the summer period. ~~Northport-Norwalk cable would be out for the summer.~~ Mr. King commented that there are many unresolved issues with the Norwalk cable, and he does not expect any protocols to be in place for this summer. Mr. King notes that ISO-NE would be willing to go forward with the work needed to implement the protocol, once there is an agreement in place to replace the cable per the Connecticut DEP order.

4. Elimination of TSC's and NTAC's for Exports and Wheels-through to New England

Mr. Museler asked that the members of the MC assist in meeting the objective of gathering concerns of the marketplace with this issue as soon as possible, before the filing is submitted to FERC. John Buechler of the NYISO presented this issue. Mr.

Buechler commented on the questions raised at the Business Issues Committee, New England's Issues with the filing and the impact on TSC rates. Mr. Buechler also commented on the NERTO cost benefit study, Billing and Accounting Implications, NYISO Tariff Modifications and the proposed schedule for the NYISO Tariff filing. Subsequent negotiations with PJM will be required in order to eliminate rate pancaking between the NYCA and PJM.

5. New Business

Rob Fernandez of the NYISO announced the recent Board election results from the NYISO's Annual Meeting. The board is targeting a decision for the appeals on governance shortly after the next board meeting (May 18).

Mr. Oates commented that the June MC meeting is scheduled on June 4 at Consolidated Edison. Mr. Oates commented about the golf outing in July. Details will be available via email.

6. Adjourn

Meeting Adjourned at 11:32 AM.

NYISO Management Committee Meeting

May 5, 2004

Conference Call Meeting

MOTIONS FROM THE MEETING

There were no items requiring Management Committee action at this meeting.

New York Independent System Operator - Committee Membership

Management Committee - Attendance May 5, 2004 - Meeting Via Conference Call - 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	George Braulke				
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				
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		✓ David Barr	

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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						
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				✓ Jim Hamilton	
Village of Fairport	Public Power - Munis & Co-ops	Ken Moore	Tim Bush	Paul Pallas				✓ Jim Hamilton	
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		
Village of Westfield	Public Power - Munis & Co-ops	✓ Jim Hamilton	Tim Bush	Paul Pallas	Matthew Benesh	Jack Brown	Ken Moore	✓ Tom Rudebusch	
Central Hudson Gas & Electric	Transmission Owners	Charles Freni	✓ John Watzka						
Consolidated Edison	Transmission Owners	✓ Joe Oates	Terry Agriss	Neil Butterklee					
National Grid	Transmission Owners	Jerry Ancona	✓ Wes Yeomans	Peter Flynn	Herb Schrayshuen	Bart Franey	Masheed Rosenqvist		✓ R. Craft, M. Sasson
NY State Electric Gas (NYSEG)	Transmission Owners	✓ Ray Kinney	✓ Patti Caletka	Hank Masti	Cliff Olson	Denis Wickham			✓ Sue Hudson
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						✓ Bill Heinrich
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
✓ Bill Museler	NYISO
✓ Chuck King	NYISO
✓ Mollie Lampi	NYISO
✓ John Buechler	NYISO
✓ Kathy Whitaker	NYISO
✓ Elaine Robinson	NYISO
✓ Kristen Kranz	NYISO
✓ Leigh Bullock	NYISO
✓ Ray Stalter	NYISO
✓ Debbie Eckels	NYISO

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✓ Mike Jaeger	NYISO								
Dave Evanoski	NYISO								
Phil Goozee	NYISO								
John Cutting	NYISO								
✓ Jane Lathrop	NYISO								
Ernie Cardone	NYISO								
John Charlton	NYISO								
	NYISO								
Andrew Hartshorn	NYISO/LECG								

Key:

✓ = In attendance