

MINUTES
Arizona Independent Scheduling Administrator Association
December 16, 1998

The meeting began with all ten board directors in attendance.

An updated membership list was passed out.

There was a discussion of the status of our FERC filing. M. Raezer had recently had a phone conversation with FERC trial staff regarding developments (i.e., AZ Supreme Court action) on Arizona retail access. They agreed to discuss this topic again in the near future as it relates to the pace of FERC addressing our filing. APS and TEP are in the process of withdrawing their OATT amendments. A more specific discussion of our filing at FERC occurred as regards 3 options: pull the filing, don't pull the filing and seek a delay in addressing our filing. Responses to interventions were due December 4, 1998. B. Huddleston suggested we seek an approval "in concept" as occurred with NEPOOL.

A motion passed unanimously to: 1) Not pull the filing, but seek an extension of time in which to respond to interventions and to augment our current filing. An internal goal of March 1, 1999 was established.

A brief discussion of the funding intentions of the 4 funding affected utilities occurred. M. Raezer agreed to immediately contact these utilities to verify their continued funding intentions in light of the recent court developments.

The Board next had several discussions led by the Chairs of each of the sub-committees on D&O insurance, outside legal counsel, budget and finance issues, facilities and the protocols manual.

A draft of a budget and finance package was distributed by D. Murphy. We are receiving price quotes for D&O insurance. D. Murphy made a brief presentation on D&O insurance coverages and premiums. B. Huddleston wants his employer's insurance department to review the presented coverages. The board requested some additional premium quotes.

L. Michael distributed a handout on possible local and FERC counsel. A discussion ensued in which several additional suggestions of local counsel were made by board members. There was next an effort to achieve a degree of consensus and rank our candidate preferences. The regulatory and legal committee agreed to take these priorities and make a final recommendation at our next meeting.

D. Murphy led a discussion of additional budget and finance issues. A very significant amount of information has been assembled to assist with assessing the costs of fulfilling the AISA's tasks.

L. Huff discussed WAPA's facilities, its requirements and a range of lease rates (between \$6 and \$}4 per square foot per month)

K. Higgins led a discussion of our draft protocols manual. It has not yet been submitted to FERC. It continues to improve. An emerging issue is whether or not there should be a default Schedule Coordinator.

A motion was unanimously passed to direct the Operating Committee to prepare and send out a Request for Information (RFI) to various parties (including California SCs, power marketers in the Southwest, and WPTF members) requesting information regarding the provision of scheduling coordinator services to ESPs in the Arizona retail market. Respondents should include rates, terms, and conditions. If parties are not interested in providing such services, perhaps they can offer some indication for the reason(s).

The Board discussed the question of allowing exemptions to the AISA protocols. The Board agreed that it would be open to consideration of exemptions. The OC should provide recommendations on specific requests to the Board for their consideration.

The next meetings were scheduled for 1/8/99 in Phoenix at 9:30 am. AEPCO will see if the "State-wide" office is available. The meeting after that is 1/25 in Tucson at 9:20 am. TEPCO will arrange a location.