

**ARIZONA INDEPENDENT SCHEDULING  
ADMINISTRATOR ASSOCIATION**

Minutes from the 40<sup>th</sup> Special Meeting of Board of Directors  
January 30, 2002

TELECONFERENCE

**APPROVED MINUTES**

**I. Call to Order**

Acting Executive Director Patrick J. Sanderson called the meeting to order at 2:05 p.m.

**II. Establish Quorum**

The presence of a quorum was ascertained.

*Directors Present (via teleconference):* Ed Beck, Charles N. Emerson, Andrew D. Gregorich, Kevin Higgins, Larry D. Huff, Mike McElrath, Vann E. Prater, Vicki Sandler, and Patrick J. Sanderson (Chair). *Director Absent:* Curtis Kebler.

*Others Present (via teleconference):* Peggy Drumm, Steven R. Henry, Glenn Martin, Barbara Jost, Marcie Otondo, and Jerry Smith (APS).

**III. Welcome and Introductions**

All present (via teleconference) were welcomed and introduced.

**IV. Appoint Corporate Secretary**

Peggy Drumm was appointed as Corporate Secretary for the meeting.

**V. Approve Agenda**

It was duly moved and seconded by Ed Beck and Vann Prater, respectively, to approve the agenda. The motion was approved.

**VI. Approve Minutes from January 9, 2002 Meeting**

Pat Sanderson referred to copies of the January 9, 2002 Regular Board meeting minutes, which were provided via e-mail. A typo was noted and corrected on page two. It was duly moved and seconded by Ed Beck and Vann Prater, respectively, to approve the January 9 minutes as amended. The motion was approved.

## **VII. Response to FERC Request (Docket No. ER02-348-000)**

Pat Sanderson asked Barbara Jost to provide a general discussion of the proposed response to the FERC letter request for additional information of January 4, 2002. A copy of the proposed response and a list of the documents to be included with the response had been provided via e-mail. Ms. Jost noted that the FERC staff had provided five questions for the Board to respond to in order to provide the FERC staff enough context as to why the temporary ARNT mechanism should be extended past December 15, 2001. Ms. Jost explained the proposed answers to each of the questions and responded to questions and discussion from the Board. Ed Beck expressed concern that the response did not seem as balanced as it should be, i.e., too pro-competition, and advised the Board that he expected TEP to submit some comments to that effect. Discussion and clarification of several specific points in the letter followed. It was suggested that each question be answered with a concise statement first, followed by a more detailed explanation.

It was agreed that Ms. Jost would make the agreed upon changes and e-mail a redlined version of the response letter to Mr. Sanderson, who will forward it to Mr. Beck who will include his redlined changes (in a different color). Mr. Sanderson will distribute the revised version early next week for consideration before the February 8 special Board meeting. It was noted that there would be an ACC meeting (Docket No. E-01345A-01-0822 Procedural Conference) at 1:30 p.m., January 31, and that Ms. Jost would need copies of any pertinent additional information resulting from that meeting that would need to be included in the FERC response letter.

## **VIII. Response to ACC Docket No. E-00000A-01-0630**

Pat Sanderson advised the Board that he had prepared the majority of the response document and had enlisted Barbara Jost's assistance for legal analysis aspects. He explained that the document, which had been provided via e-mail, consisted of excerpts of pertinent issues from the ACC staff report along with Az ISA staff recommendations for comment. After discussion regarding the consolidation of the Az ISA docket with the APS and electric restructuring dockets, it was agreed that the document would remain a "working document" for now. Board members will submit any comments regarding the document to Mr. Sanderson prior to the February 8 special Board meeting.

## **IX. Financial Compilation Report**

Pat Sanderson updated the Board on the status of the revision of the format for the financial reports. He hopes to have revised reports for the February 8 special Board meeting.

## **X. D&O Insurance Renewal**

Pat Sanderson explained that the most recent proposals for D&O insurance had been provided via e-mailed shortly before the Board meeting. Quotes from two additional

companies are still expected. He noted that in order to maintain the current coverage, the premium would be increased by \$1,500 annually, and the deductible would be increased by \$5,000. Steve Henry answered questions regarding the procedure for increasing coverage at a later time if a lower coverage amount would be chosen initially. After further discussion, it was agreed that Mr. Sanderson would obtain a binder for the \$5 million option.

**XI. WECC Membership**

Pat Sanderson informed the Board that he is working on getting information regarding which class the Az ISA would fit into in the WSCC or the new WECC organization. The class determines the cost of membership. The Board discussed which class the Az ISA would most likely belong to, as well as, the purpose of being a member. It was suggested and agreed that Mr. Sanderson will have further discussions with the organization to determine the appropriate class and costs and will report back to the Board.

**XII. Other Business**

There was no other business.

**XIII. Next Board Meeting**

A teleconference Board meeting is scheduled for 9:00 a.m., Friday, February 8, 2002.

**XIV. Adjourn**

There being no further business, the meeting adjourned at approximately 4:20 p.m.

Respectfully submitted,

Peggy A. Drumm, Acting Corporate Secretary

**ARIZONA INDEPENDENT SCHEDULING  
ADMINISTRATOR ASSOCIATION**

40<sup>th</sup> Special Board Meeting of Board of Directors  
January 30, 2002, at 2:00 P.M. MST

Arizona Independent Scheduling Administrator Association

TELECONFERENCE

**APPROVED AGENDA**

- |              |  |  |
|--------------|--|--|
| <b>I.</b>    | Call to Order                                      |  |
| <b>II.</b>   | Establish Quorum                                   |  |
| <b>III.</b>  | Welcome and Introductions                          |  |
| <b>IV.</b>   | Appoint Corporate Secretary                        |  |
| <b>V.</b>    | Approve Agenda                                     | <b>Approval Item</b>                   |
| <b>VI.</b>   | Approve Minutes from January 9, 2002 Board Meeting | <b>Approval Item</b>                   |
| <b>VII.</b>  | Response to FERC Request (Docket No. ER02-348-000) | <b>B. Jost<br/>Discussion/Approval</b> |
| <b>VIII.</b> | Response to ACC Docket No. E-00000A-01-0630        | <b>Discussion/Approval</b>             |
| <b>IX.</b>   | Financial Compilation Report                       | <b>Update</b>                          |
| <b>X.</b>    | D&O Insurance Renewal                              | <b>Update</b>                          |
| <b>XI.</b>   | WECC Membership                                    | <b>Discussion</b>                      |
| <b>XII.</b>  | Other Business                                     |  |
| <b>XIII.</b> | Next Board Meeting                                 |  |
| <b>XIV.</b>  | Adjourn  |  |

Conference Call for Special Board Meeting, as follows:

- 2:00 p.m. (Arizona time/MST)
- Call-in Number: 1-866-248-0553
- Enter Room Number (including star keys): \*3523531\*
- US West 1-800-263-3863 (in case of problems)