

**ARIZONA INDEPENDENT SCHEDULING  
ADMINISTRATOR ASSOCIATION**

**Regular Meeting of Board of Directors  
September 10, 2002**

**Holiday Inn Select Airport Hotel  
4300 East Washington Street, Conference Room #T1  
Phoenix, Arizona**

**APPROVED MINUTES**

**I. Call to Order**

Acting Executive Director Patrick J. Sanderson called the meeting to order at 11:05 a.m.

**II. Establish Quorum**

The presence of a quorum was ascertained.

*Directors Present:* Ed Beck, Charles N. Emerson, Andrew D. Gregorich, Larry D. Huff, Mike McElrath, Theresa Mead, Brian Walker, and Patrick J. Sanderson (Chair).

*Directors Absent:* Kevin Higgins and Vicki Sandler.

*Others Present:* Stacy Aguayo, Keith Cardillo, Resal Craven, Peggy Drumm, Steven R. Henry, Barbara Jost, Glenn Martin, Gary Mirich, Greg Patterson, Alan Propper, Janet Wagner, and John Wallace.

**III. Welcome and Introductions**

All present were welcomed and introduced.

**IV. Appoint Corporate Secretary**

Peggy Drumm was appointed as Corporate Secretary for the meeting.

**V. Approve Agenda**

After a brief discussion, it was duly moved and seconded by Larry Huff and Mike McElrath, respectively, to approve an amended agenda, which included the appointment of a new Board member as new item number VI. The motion was approved.

**VI. Appoint New Board Member**

Charles Emerson nominated Resal Craven to fill the vacant Board position representing the Local Load Serving Entities class. The nomination was seconded by Brian Walker and approved unanimously. (A current list of Board members is attached to these minutes.)

**VII. Approve Minutes from June 4, 2002 Meeting**

Pat Sanderson referred to copies of the June 4 Board meeting minutes, which were provided in the Board package. Mr. Sanderson explained that a quorum was lost before the meeting was completed and, therefore, the minutes that would be approved would be only through the top of page three. It was duly moved and seconded by Larry Huff and Ed Beck, respectively, to approve the June 4 minutes as written. The motion was approved.

**VIII. Discussion of Alternate Directors**

Pat Sanderson advised the Board that during the June 4 Board meeting there had been a discussion regarding the issue of proxy voting by Board members. Steve Henry had researched the Az ISA By-laws and relevant statutes and issued a memo regarding the issue, which had been provided in the Board package. Mr. Henry explained that the By-laws would have to be amended in order to allow proxy voting. It was noted that proxies do not satisfy quorum requirements. Larry Huff reiterated his opposition to proxy voting. Resal Craven noted that he was involved in the creation of the By-laws when proxy voting was discussed, and that it was agreed to not have proxy voting. Stacy Aguayo and Brian Walker expressed support of the concept of alternate Directors or proxy voting. Mr. Sanderson, upon no forthcoming motion, said the issue would only be put on the agenda for consideration again if a Board member requests it.

**IX. Status of ACC Generic Restructuring Docket (E-00000A-02-0051)**

Pat Sanderson advised the Board that the ACC ALJ order on Track A issues was not yet available. He also noted that the Az ISA had not yet been the topic of discussion, and the Az ISA has not yet requested intervenor status. At Mr. Sanderson's request, Janet Wagner briefly reviewed the proceedings to date and answered questions.

**X. FERC Standard Market Design**

Pat Sanderson advised the Board that he had requested Barbara Jost to review, in a narrowly focused manner, the FERC's Standard Market Design's (SMD) potential impact on the Az ISA. The memorandum response was included in the Board package. At Mr. Sanderson's request, Ms. Jost reviewed the analysis contained in the memo. She prefaced the discussion with the idea that, at the time the memo was written, it had been expected that there would have been more guidance from the FERC regarding the

western RTOs and that the ACC would have issued the Track A Order by the time of this meeting. However, neither of those items had occurred by the time of the meeting. Ms. Jost then reviewed what has happened since the memo was written and what might be expected to occur in the upcoming months regarding the FERC rulemaking on the SMD. She noted the FERC might be moving more slowly than originally anticipated.

Ms. Jost said that, since the Az ISA does not own, operate or control transmission facilities, it is neither required to file revisions to the current tariff nor to file the SMD tariff. She then reviewed implications to the Az ISA based on three possible scenarios included in the memo. In addition, she identified specific changes to the Az ISA Protocols Manual that might be required, depending on the scenario. Ms. Jost noted there are several unknown factors at this time that would affect future actions.

After some discussion, including issues of cost containment, Pat Sanderson suggested that there is not a need to proceed further at this time, although monitoring would continue. If further action were needed, such as filing of comments, Mr. Sanderson would convene the Board for discussion and approval.

*(In light of time constraints of some Board members, the following two items, 'Other Business' and 'Next Board Meeting,' were moved forward in the agenda.)*

#### **XI. Other Business**

There was no other business.

#### **XII. Next Board Meeting**

The next regularly scheduled Board meeting is Wednesday, January 8, 2003. If a meeting is needed before then, Pat Sanderson will contact the Board. It was noted that a 15-day written notice is required to call a special Board meeting, as a result of recent By-laws changes.

#### **XIII. Staff Report**

- a. Financial Report (July Financial Statement).** Pat Sanderson briefly explained, for the benefit of new Board members, the basis of the funding and cash flow reports and policies of the Az ISA. He then reviewed the July 31 financial statements, which were included in the Board package.
- b. Budget/Cash Flow.** Pat Sanderson explained the basis for and reviewed the Budget/Cash Flow report, included in the Board package. He advised the Board that the budget for 2003 would be available for approval at the January Board meeting.
- c. Cash Flow Report (August – September).** Pat Sanderson explained the basis for and reviewed the Cash Flow Report, included in the Board package.

**XIV. Adjourn**

The meeting was adjourned at 12:30 p.m.

Respectfully submitted,

Peggy A. Drumm, Acting Corporate Secretary

**ARIZONA INDEPENDENT SCHEDULING  
ADMINISTRATOR ASSOCIATION**

Regular Meeting of Board of Directors  
September 10, 2002  
Immediately Following the Annual Members' Meeting

Holiday Inn Airport  
4300 East Washington Street, Conference Room #T1  
Phoenix, Arizona

**APPROVED REVISED 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 June 4, 2002 Board Meeting                  | <b>Approval Item</b> |
| <b>VII.</b>  | Appoint New Board Member   |                      |
| <b>VIII.</b> | Discussion of Alternate Directors                                | <b>Discussion</b>    |
| <b>IX.</b>   | Status of ACC Generic Restructuring Docket<br>(E-00000A-02-0051) | <b>Update</b>        |
| <b>X.</b>    | FERC Standard Market Design                                      | <b>Discussion</b>    |
| <b>XI.</b>   | Staff Report   |                      |
|              | a. Financial Report (July Financial Statement)                   |                      |
|              | b. Budget/Cash Flow  |                      |
|              | c. Cash Flow Report (August - September)                         |                      |
| <b>XII.</b>  | Other Business   |                      |
| <b>XIII.</b> | Next Board Meeting   |                      |
| <b>XIV.</b>  | Adjourn  |                      |

Conference Call for Board Meeting, as follows:

- Call-in Number: 1-866-248-0553
- Enter Room Number (including star keys): \*3523531\*
- US West 1-800-263-3863 (in case of problems)

# Arizona Independent Scheduling Administrator Association (AZ ISA)

## Board of Directors and Class Chairs As of September 10, 2002

**Members' Chair:** Kevin Higgins (9/02-9/03)

### **Transmission Facilities Providers Class**

- Class Chair: Larry Huff, Southwest Transmission Cooperative, Inc. (9/02-9/03)
- Director: Larry Huff, Southwest Transmission Cooperative, Inc (9/01-9/03)
- Director: Ed Beck, Tucson Electric Power Company (9/02-9/04)

### **Local Load Serving Entities Class**

- Class Chair: Vacant (9/02-9/03)
- Director: Resal Craven, Citizens Communications Company (9/01-9/03)
- Director: Charles N. Emerson, Trico Electric Cooperative, Inc. (9/02-9/04)

### **Aggregators Class**

- Class Chair: Vacant (9/02-9/03)
- Director: Mike McElrath, Phelps Dodge Energy Services (9/01-9/03)
- Director: Vicki Sandler, APS Energy Services (9/02-9/04)

### **Independent Generators & Wholesale Power Marketers Class**

- Class Chair: Thomas Broderick, PG&E National Energy Group (9/02-9/03)
- Director: Theresa Mead, Constellation NewEnergy (9/01-9/03)
- Director: Brian Walker, Reliant Energy (9/02-9/04)

### **End-Use Customers Class**

- Class Chair: Kevin Higgins, Arizonans for Electric Choice & Competition (9/02-9/03)
- Director: Kevin Higgins, Arizonans for Electric Choice & Competition (9/01-9/03)
- Director: Andrew D. Gregorich, ASARCO Inc. (9/02-9/04)

### **Acting Executive Director**

- Patrick J. Sanderson, Arizona ISA