

ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR ASSOCIATION

Regular Meeting of Board of Directors
May 9, 2001 at 9:00 A.M. MST

TELECONFERENCE

APPROVED MINUTES

I. Call to Order

Acting Executive Director Patrick J. Sanderson called the meeting to order at 9:10 a.m.

II. Establish Quorum

The presence of a quorum was ascertained.

Directors Present (via teleconference): Ed Beck, Dennis Delaney, Lindy Funkhouser, Mike McElrath, Marcie Otondo, Vann E. Prater, Elizabeth Story, and Patrick J. Sanderson (Chair). *Directors Absent:* Kevin Higgins and Larry Huff.

Others Present (via teleconference): Asher Emerson, Peggy Drumm, Barbara Jost, Alan Propper, and Janet Wagner.

III. Welcome and Introductions

All were welcomed and introduced.

IV. Appoint Corporate Secretary

Peggy Drumm was appointed as Corporate Secretary for the meeting.

V. Approve Agenda

Pat Sanderson reviewed the agenda, provided via e-mail. The motion to approve the agenda was duly moved and seconded by Vann Prater and Ed Beck, respectively. The motion was approved with six affirmative votes and two abstentions (Dennis Delaney and Elizabeth Story).

VI. Approval of Minutes from May 1, 2001 Meeting

Pat Sanderson referred to copies of minutes from the May 1 Special Board meeting, provided via e-mail. It was duly moved and seconded by Ed Beck and Mike McElrath,

respectively, to approve the May 1 minutes as presented. The motion was approved with six affirmative votes and two abstentions (Dennis Delaney and Elizabeth Story). Mr. Delaney requested that the minutes reflect that he had not had a chance to read the minutes.

VII. Az ISA FERC Compliance and 205 Filing – Update

Pat Sanderson asked Barbara Jost to provide an update on the FERC Compliance and Section 205 Filings. Ms. Jost advised the Board that the filings were made May 2, 2001 and that May 27 is the deadline for intervention, protest or comments in both dockets. The new Section 205 filing is designated Docket No. ER01-1940-000, and the Compliance filing is designated Docket No. ER00-3583-003. She noted that the earliest she expects the FERC to act on the filings would be mid-June. Copies have been e-mailed to all interested parties, and copies are available online at the FERC website.

- 1) **AEPCO FERC Filing.** At Pat Sanderson's request, Barbara Jost advised the Board that AEPCO had made a fairly comprehensive FERC filing, involving a planned restructuring of AEPCO into three separate but affiliated companies. The new companies would be Sierra Southwest Cooperative Services, Inc. (the new power marketing entity), Southwest Transmission Cooperative, Inc. (the "Transco") and AEPCO would retain its functions as the generating entity or "Genco." Ms. Jost provided an overview of the filing, which she noted was quite voluminous and complex. She noted that due to the brief amount of time she had had to review it, there remains much about the filing that she did not have the time to evaluate. She noted that the filing was made with the FERC on March 30, 2001, before the Az ISA had implemented service under the Protocols. Based on her limited review of the filing, however, she recommended that the Az ISA file an intervention advising the FERC that the Az ISA has now filed Compliance and Section 205 filings and implemented services under the Protocols and requesting that FERC ask AEPCO to provide the ISA and interested parties further information and clarification as to how and when AEPCO would be providing retail services under its restructuring proposal. Mr. Sanderson added that there is much outdated information in the filing, particularly regarding the Az ISA, and asked the Board whether it was the role of the Az ISA to update that information. There was discussion regarding whether to file an intervention or contact Larry Huff for additional information and clarification. Several Board Members noted that they had not been aware of or seen the filing yet. Ms. Jost advised that the deadline for FERC intervention had already passed as of May 2, 2001 and that AEPCO's counsel had advised her that they had served copies only on the ACC and the RUS.

Several Board members expressed concern about the affect of such a motion to intervene. Ed Beck made a motion to direct Pat Sanderson to send a letter to AEPCO asking for input on their intent with regard to the Az ISA. (The motion was not seconded.)

Janet Wagner confirmed that the ACC did intervene, out of time, on the AEPCO filing. She could not say what the ACC's position is; however, based on the recent Compliance and 205 filings by the Az ISA, which occurred after the ACC authorized the motion to intervene and noted that the ACC may wish to file supplemental comments. She also noted that an intervention by the Az ISA is not necessarily an adversarial action, as some Board members appear to believe, and could be merely neutral.

There was further discussion regarding the impact on funding of the Az ISA, if AEPCO does not implement the Protocols. It was questioned whether AEPCO could continue to provide funding to the Az ISA if they do not sign the TP Agreement. Barbara Jost opined that the Az ISA could not accept monies from AEPCO under the tariff if they do not sign the TP Agreement. It was discussed whether AEPCO could voluntarily donate funds to the Az ISA. Ms. Jost opined that that would probably not be acceptable to the FERC. Pat Sanderson will check with the accountant to determine if the Az ISA is classified as a charitable organization that could accept contributions.

(Dennis Delaney left the conference. A quorum was no longer present.)

After further discussion, it was agreed that Pat Sanderson would send a letter to Larry Huff requesting additional information regarding the AEPCO FERC filing, and that it would be copied to the FERC staff.

There was a discussion regarding the APS and TEP FERC Compliance Filings. Alan Propper and Ed Beck confirmed that they were about to submit their compliance filings with the FERC. Barbara Jost asked that they provide the Az ISA with signed copies of the SC Counterpart pages from the ISA-SC Agreement for their respective Standard Offer SCs so that the Az ISA can file them with the FERC. They agreed to do so.

VIII. April Funding Status

Pat Sanderson advised the Board that all the April funding from the TPs had been received, and that models of the invoices had been sent to APS and TEP for review.

IX. Staff Report

Pat Sanderson informed the Board that the WAPA lease had been adjusted to reduce the office space by 690 square feet. Mr. Sanderson also advised the Board that the required federal and state tax reports had been filed.

X. Other Business

There was no other business.

XI. Next Board Meeting

Pat Sanderson suggested that an additional Board meeting might be needed, depending on the AEPSCO issue and any ACC supplemental response to it. The next Special Board meeting is scheduled for July 18, 2001.

XII. Adjourn

The meeting was adjourned at approximately 10:10 a.m.

Respectfully submitted,

Peggy A. Drumm, Acting Corporate Secretary

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TELECONFERENCE

APPROVED AGENDA

- | | | |
|--------------|------------------------------------------------|----------------------|
| I. | Call to Order | |
| II. | Establish Quorum | |
| III. | Welcome and Introductions | |
| IV. | Appoint Corporate Secretary | |
| V. | Approve Agenda | Approval Item |
| VI. | Approve Minutes from May 1, 2001 Meeting | Approval Item |
| VII. | Az ISA FERC Compliance and 205 Filing – Update | Barbara Jost |
| | a. AEPCO FERC Filing | |
| VIII. | April Funding Status | |
| IX. | Staff Report | |
| | a. Membership – Update | |
| | b. Office Space – Report | |
| | c. Az ISA Federal and State Tax Filing | |
| X. | Other Business | |
| XI. | Next Board Meeting | |
| XII. | Adjourn | |

Conference Call for 37th Special Board Meeting, as follows:

- 9:00 a.m. – 12:00 p.m. (Arizona time/MST)
- 20 lines available
- Call-in Number: (303) 633-6104
- Reservation #: 18551885
- US West 1-800-263-3863 (in case of problems)