

Draft-For-Approval

Electric/Gas Operations Committee

Meeting No. 21

September 17, 2008

3:30 PM – 4:30 PM (EST)

Teleconference

Attendees

M. Aggarwal
C. Armstrong
M. Babula
W. Callan
A. Elacqua
K. Flynn
R. Hansen
J. Hedman
D. Jones
E. Karanian
S. Leahy
D. Souder

Representing

PNGTS
PNGTS
ISO New England Inc.
ISO New England Inc.
New York ISO
ISO New England Inc.
Spectra Energy
Unitil Service Corp.
Iroquois Gas Transmission System
Yankee Gas
Northeast Gas Association
PJM Interconnection

Introduction

Mr. Babula welcomed everyone to the twenty-first meeting of the Electric/Gas Operations Committee (EGOC). Introductions were made.

1.0 Administrative Matters

1.1 ISO New England's (ISO-NE) Information Policy and the Northeast Gas Association's (NGA) Antitrust Compliance Procedure

Mr. Babula stated that ISO-NE Staff were bound by the requirements of the ISO New England Information Policy. Mr. Babula reminded all gas sector representatives that they are bound by the requirements of the Northeast Gas Association's (NGA) Antitrust Compliance Procedure.

1.2 Draft-For-Approval – EGOC Meeting No. 20 Minutes

The "Draft-For-Approval" minutes of EGOC Meeting No. 20, held via teleconference on May 2, 2008, were approved as written.

2.0 Review of Electric/Gas Outage Coordination Efforts

Mr. Babula summarized the recent outage coordination efforts between regional gas pipelines, LDCs and ISO-NE. He noted that there have been several pre-planned pipeline outages over the last several months, primarily as a result of system expansion. He noted that in all cases, ISO-NE was informed of these outages well in advance and was kept abreast of the status of the outage, during real-time, from regional gas control. As expected, he noted that there were several preplanned generator outages coincident with those pipeline outages. These outages presented no major impacts to the bulk power grid.

3.0 Post-Sumer Operational Review

3.1 Electric Sector

Mr. Callan directed the EGOC to Mr. Steve Weaver's presentation entitled "Summer 2008 Operational Review". Mr. Callan summarized the electrical peak loads for the months of June, July and August 2008. Mild weather dampened peak electrical loads. He noted that there were four (4) minor production outages at Sable Island in June and July and that gas quality issues were encountered at one power station. Overall, these events had no substantial impact on ISO-NE operations.

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3.2 Natural Gas Sector

Mr. Leahy noted that the natural gas sector's summer 2008 experience was consistent with that of the electric sector. Several gas pipeline and LDC representatives reiterated Mr. Leahy's summarization. Mild weather dampened gas-fired, power generation loads. Pre-planned pipeline and LDC outage work was well coordinated and there were no major supply or delivery interruptions, until the onslaught of the fall hurricane season.

4.0 Update on Hurricane Activity

Mr. Babula requested updates from hurricane affected pipelines. Mr. Hansen of Spectra Energy noted that preliminary assessments show minimal damage to infrastructure in the Gulf of Mexico (GoM) and Texas, but due to continued evacuation orders, full assessment have yet to be performed. As of yesterday, September 16, 2008, approximately four (4) million electric customer were without power, 97.2% of oil production and 84.2% of natural gas production are currently shut-in, and twelve (12) refineries are out of service. Initial company projections say that damage should be less than that experienced by hurricanes Katrina & Rita in 2005. Mr. Babula thanked the EGOC members who were not on the call, due to their involvement in system restoration activities.

5.0 ISO-NE's Forward Capacity Market

5.1 Results of Forward Capacity Auction (FCA) #1

Mr. McBride reviewed his presentation entitled "*Forward Capacity Market (FCM) Overview and 2010 – 2011 Auction Results*". He briefly highlighted the FCM Settlement Agreement, overviewed FCM functional interactions, spoke to the Show of Interest (SOI) and Qualification Process (QP), and presented the results of the first FCA, with respect to price and quantity of existing and new resources. He concluded his presentation by noting the second FCA is scheduled for December 8, 2008.

6.0 Action Items

There were no action items from the Committee.

7.0 Other Business

Mr. Leahy noted that NGA had recently sent out requests for all parties to update their company contact information for the annual publication of the NGA Gas Supply Manual. Updates are due back to NGA by Friday, October 3, 2008.

Mr. Leahy also noted that NGA is hosting their annual Pre-Winter Briefing on Thursday, November 6, 2008 at the offices of Bay State Gas, located in Westborough, MA. He noted that this is a Regulatory Briefing and he invited the EGOC representatives from NYISO and PJM to the briefing to update the attendees on electric/gas sector coordination.

8.0 Next Meeting

The EGOC agreed that their next meeting will likely be held around mid-October, with a focus on winter preparations.

Respectfully Submitted,

Mr. Mark Babula
ISO New England Inc.