

<p>Members</p> <p>15 state, one provincial, and one city utility regulatory commissions</p> <p>11 associate members representing consumer advocates/state agencies</p>	<p>Key Activities</p> <p>Coordinate state regulatory oversight of RTO activities among the states</p> <p>Make recommendations to MISO, MISO Board, FERC, other relevant government entities, and state commissions</p> <p>Intervene in proceedings before FERC and in related judicial proceedings to express the states' collective positions</p>	<p>Value Proposition</p> <p>Provide unified voice for state regulators on regional energy market and planning issues at MISO and FERC</p> <p>Represent the public interest in discussions vis a vis role of members as state regulators</p> <p>Disseminate complex regional and inter-regional issues for state members</p> <p>Educate MISO and stakeholders about role of states and how regional decisions may impact state processes, jurisdiction or end use customers</p> <p>Improved retail regulation through better understanding of wholesale markets</p>	<p>Relationship</p> <p>Advisory in nature with weight due to regulatory oversight role of its members and their coordination</p> <p>State/local regulation of entities that may also be regulated by FERC</p> <p>OMS members' unique role as state regulators and their statutory responsibilities affect relationships and participation in RTO activities</p>	<p>Customer Segments</p> <p><i>Public sector:</i></p> <p>State Commissions FERC DOE Courts Other government agencies</p> <p><i>Private sector:</i></p> <p>MISO MISO Board of Directors MISO stakeholders</p>
	<p>Key Resources</p> <p>Commission staff – technical issues Workgroups Commissioner policy input</p>		<p>Channels</p> <p>MISO meetings Conference calls Communications Federal proceedings</p>	

<p>Cost Structure</p> <p>Personnel Compensation and Benefits Office Expenses (non-personnel) MISO Meeting Expenses – Travel reimbursement is the key to effective participation OMS Meeting and Training Expenses - conference calls</p>

<p>Revenue Stream</p> <p>MISO Grant</p>
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OMS Membership

Members

- Arkansas PSC
- Illinois CC
- Indiana URC
- Iowa Utilities Board
- Kentucky PSC
- Louisiana PSC
- Manitoba PUB
- Michigan PSC
- Minnesota PSC
- Mississippi PSC
- Missouri PSC
- Montana PSC
- New Orleans City Council URO
- North Dakota PSC
- South Dakota PUC
- PUC of Texas
- PSC of Wisconsin

Associate Members

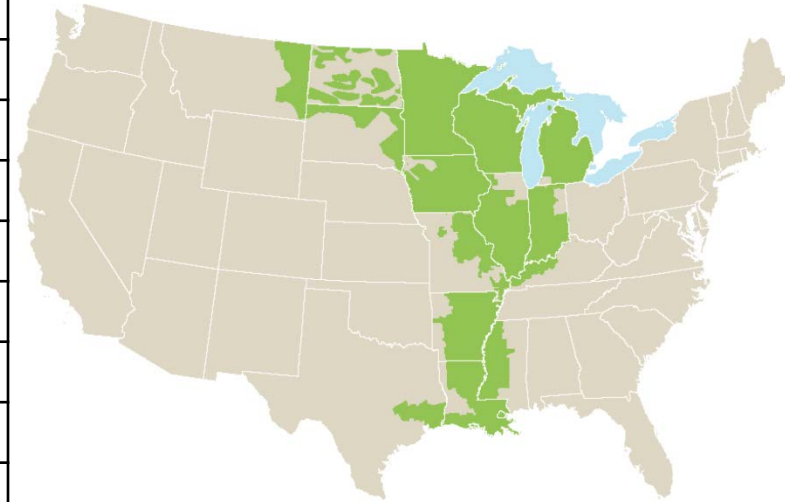
- Iowa Office of Consumer Advocate
- Minnesota Department of Commerce
- Missouri Office of the Public Counsel
- Office of the Ohio Consumers' Counsel
- Indiana Office of Utility Consumer Counselor
- Illinois Citizens Utility Board
- Nebraska Power Review Board
- Pennsylvania Public Utility Commission
- Public Utilities Commission of Ohio
- Mississippi Public Utilities Staff
- Texas Office of Public Utility Counsel

Member Diversity

- Selection and composition
 - Appointment vs. election
 - Number, term, party, qualifications
 - Location in the state government and independence from the department in which located
- Staff size and role - bifurcated vs. advisory
- Ex-parte communication processes and open meeting requirements
- Size of load in MISO footprint
- Number of RTO/ISOs and non-market participants
- Functions – rate regulation, siting, licensing, inspections/safety/security, etc.
- Entities regulated – investor-owned, coops, municipalities, etc.
- Industries regulated
 - Communications
 - Energy (electricity, natural gas, petroleum, pipelines)
 - Water & Wastewater
 - Transportation (motor carrier, ferries)
 - Other (grain elevators, radioactive waste, coal mine reclamation, safe digging, etc.)

MISO Load Share by State

State	Load Ratio Share*
AR	6.2%
IA	6.0%
IL	8.1%
IN	12.0%
KY	1.4%
LA	13.5%
MI	16.1%
MN	10.0%
MO	6.9%
MS	4.1%
MT	0.1%
ND	1.0%
SD	0.5%
TX	3.6%
WI	10.5%



* Load shares calculated with 12CP demand by state as of Dec 2013 in the market footprint

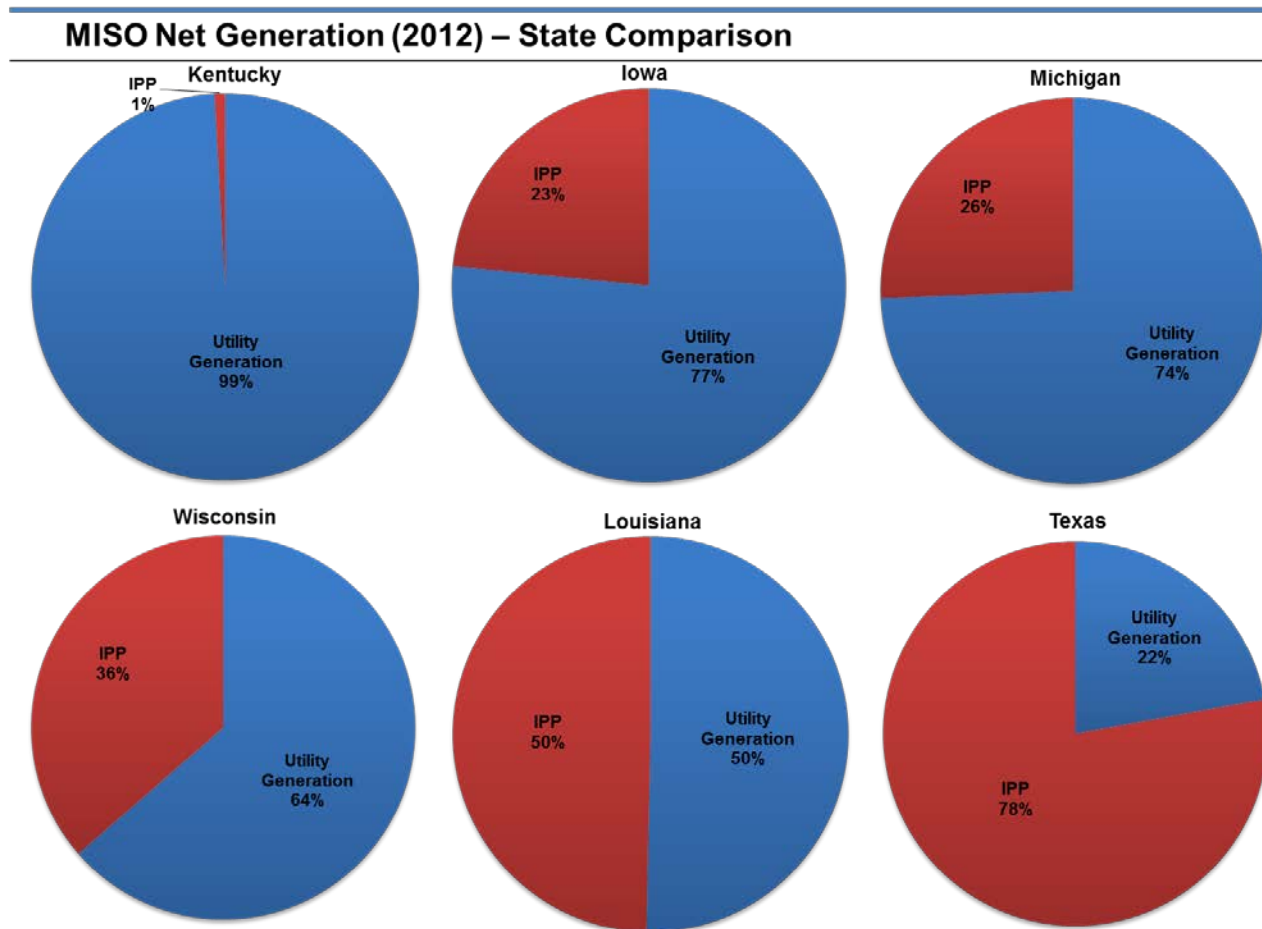
Variation Among OMS Members

Agency	Agency location	Selection	No. of Commssioners	Comm. term	Staff size
Arkansas Public Service Commission	Independent	A	3	6	115
Illinois Commerce Commission	Independent	A	5	5	275
Indiana Utility Regulatory Commission	Independent	A	5	4	76
Iowa Utilities Board	Dept. of Commerce	A	3	6	68
Kentucky Public Service Commission	Energy & Environment Cabinet	A	3	4	110
Louisiana Public Service Commission	Independent	E	5	6	97
Michigan Public Service Commission	Dept. of Labor & Reg. Affairs (LARA)	A	3	6	190
Minnesota Public Utilities Commission	Coop. agreements w/Dept of Commerce	A	5	6	49
Mississippi Public Service Commission	Independent	E	3	4	81 (MPSC); 28(MPUS)
Missouri Public Service Commission	Dept. of Economic Development	A	5	6	194
Montana Public Service Commission	Independent	E	5	4	39
New Orleans City Council URO	City Council	E	7	4	2
North Dakota Public Service Commission	Independent	E	3	6	41
South Dakota Public Utilities Commission	Independent	E	3	6	30
Texas Public Utility Commission	Independent	A	3	6	168*
Wisconsin Public Service Commission	Independent	A	3	6	140
* 11 federally funded temp employees, funding ended on 12/31/12					
A - Appointed, E- Elected					
Source: IPU Database on Commission Structure (Institute of Public Utilities, Michigan State University, November 2013) except for data New Orleans City Utilities Regulatory Office.					

Variation Among OMS Members (cont'd.) – Regulated vs. Deregulated

- **Fully Regulated** (12): Arkansas, Indiana, Iowa, Kentucky, Louisiana, Minnesota, Mississippi, Missouri, Montana, North Dakota, South Dakota, Wisconsin
- **Partial** (2): Michigan & Texas
- **Deregulated** (1): Illinois
- The ERCOT portion of Texas has retail competition, but the Entergy Texas service area does not. Entergy Texas is a vertically integrated utility and its customers do not have choice.
- Michigan has a 10% cap on choice.

Variation Among OMS Members (cont'd.) – Energy Generation Example: IPP vs. Utilities



Source: EIA , Electric Power Annual (IPP includes CHP)

Variation Among OMS Members (cont'd.) – Transmission Siting Example

- ROFR – Not all states have ROFR
- Certification of public utilities –
 - Not all jurisdictions require entities seeking to build transmission to be certified as public utilities
 - Definitions of public utility, electric utility, transmission company, etc. vary
- Criteria for review of transmission projects vary (e.g., need, cost-benefit, recognition of regional benefits, deference to MISO approval)
- Jurisdiction over siting – Some states have county/local level permitting
- Environmental studies – Variation on timing and the state agencies doing

Variation Among OMS Members (cont'd.) – Transmission Siting Example

- Timing of informational meetings, i.e., before or after filing of franchise/permitting applications
- Voltage levels requiring franchise/permitting processes
- Timing for beginning negotiations with landowners
- Processes/regulations for obtaining easements
- Regulations concerning eminent domain/condemnation processes
- Processes and timing of determining compensation for landowners
- Hearings and legal process associated with applications vary, from non-judicial to quasi-judicial

2014 OMS Key Priorities

- Resource Adequacy
- Interregional Coordination
- Southern Integration
- Transmission Planning
- Order 1000 Implementation
- Formula Rates/Return on Equity
- Energy Market Issues
- Administration – leadership transition

Questions?

- What are expectations of MISO board, MISO and stakeholders?
- Other questions?