



Organization of MISO States

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Ms. April Paronish  
Midwest ISO  
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Ms. Paronish:

The Organization of MISO States ("OMS") hereby submits its suggested rankings of Midwest ISO's proposed 2006 capital budget projects.<sup>1</sup> OMS appreciates this opportunity to participate in this important endeavor and, in general, supports MISO including stakeholders in its capital budgeting process.

OMS notes that Midwest ISO has categorized the proposed capital projects as "required" or "stakeholder request." The OMS rankings do not apply to the "required" projects.

With limited quantitative information regarding expected benefits from the proposed 2006 capital expenditures, OMS based its rankings on qualitative considerations related to the priorities that OMS

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<sup>1</sup> The following members generally support the suggested capital project rankings:

Illinois Commerce Commission  
Iowa Utilities Board  
Michigan Public Service Commission  
Minnesota Public Utilities Commission  
Missouri Public Service Commission,  
North Dakota Public Service Commission  
Pennsylvania Public Utility Commission  
Public Service Commission of Wisconsin

The Kentucky Public Service Commission and the Montana Public Service Commission do not participate in the comment for procedural reasons. The Public Utilities Commission of Ohio, the Manitoba Public Utilities Board, the Nebraska Power Review Board, and the South Dakota Public Utilities Commission were not present at the OMS meeting at which the OMS approved the suggested rankings. The Indiana Utility Regulatory Commission does not join this submission.

suggested to Midwest ISO Board of Directors at the Annual Stakeholder Meeting in September. Those priorities were operational excellence, demonstrating benefits, effective cost-control, regional transmission planning, resource adequacy, and inter-regional coordination.

The OMS presentation at the Annual Stakeholder Meeting included the following recommendations and comments:

- o **Midwest ISO should demonstrate the benefits from its services to customers, local service providers, and others.**
  - Demonstrations of benefits from Midwest ISO's services in easily understandable, credible measurements are critical for strong support of Midwest ISO and the services it provides.
  - Demonstrated consumer benefits should include reliability and economic benefits.
  - Midwest ISO should rely on the best objective measures available to demonstrate benefits.

Based on those particular recommendations and comments, OMS urges Midwest ISO to justify carefully its proposed capital expenditures with expected benefits from such expenditures.

Thank you again for this opportunity to participate in the development of Midwest ISO's 2006 capital budget. OMS stands ready to assist further on this project or others.

Very truly yours,  
*William H. Smith, Jr.*  
William H. Smith, Jr.  
Executive Director

Attachment A

## ATTACHMENT A

<u>Project No.</u>	<u>Required Projects</u>	<u>Work Group Ranking</u>	<u>Comment</u>
345-06	Replace Current Tier 1 Storage and Add Additional Storage Capacity	required	
208a-06	701 Building Power Improvements	required	
208b-06	Upgrade Physical Security	required	
298-06	JOA Joint and Common Market	required	
359b-06	EMS Specification and Evaluation Replacement - St. Paul (MAPP funded)	required	
297-06	JOA SPP Seams Management	required	
338-06	LT03 Tape Media for Production Backups	required	
326.06	Server System Refresh (57 Servers)	required	
<b><u>Discretionary Projects</u></b>			
288-06	Market Application Enhancements	1	improves market operations
206-06	External Data Presentation Phase 2	2	improves market operations
359-06	EMS Specification and Evaluation - Carmel	3	improved reliability; 100% funded by partial requirement customers

235-06	Network Topology Modeling Database and Application	4	synchronizes planning, operational, and FTR models; allows more time for analysis instead of work on models
303-06	DART Settlement 5-Minute Data Preprocess	5	improves market operations; frees up staff time for other work
221-06	Auto Processing of Scheduling and Transmission Service Requests	6	improves market operations; frees up staff time for other work
367-06	Resource Adequacy Mechanism	7	will allow long-term LMP forecasts, which could have a number of useful applications
209-06	Ancillary Services Markets	8	software to support recommended ancillary service markets
363-06	JOA System Enhancements - Existing JOAs (PJM, TVA, SPP and MAPP)	9	improves interregional operations
362-06	JOA Impact Calculator Enhancement	10	improves interregional operations
253-06	Develop an Environment for Insourcing Applications	11	reduce annual maintenance and patch costs
244-06	Study Multi-Time Network Analysis Enhancements	12	saves staff time
368-06	Remedy/Siebel Issues Management Tool Implementation	13	MISO already has a Siebel system and has increased its customer service staff size
202-06	Business Continuity Phase 2 - Upgrade to Backup Control Center	14	recall that FERC, NERC and MISO said all necessary backup facilities were in place by April 1, 2005

203-06	Business Continuity Phase 3 - Upgrade to Backup Control Center	15	recall that FERC, NERC and MISO said all necessary backup facilities were in place by April 1, 2005
311-06	Microsoft Enterprise Agreement	16	lowers purchase price for Microsoft operating systems and tools
217-06	Enterprise Document Management System	17	improves document management