

**ORGANIZATION OF MISO STATES, INC.
ORGANIZATIONAL MEETING
OMAHA, NE
JUNE 11, 2003**

APPROVED JULY 14, 2003

Commissioner Susan Wefald called the organizational meeting of the Organization of MISO States, Inc. (OMS) to order.

The necessary quorum for the meeting of at least six initial directors was established. The following directors were present in person at the meeting:

Susan Wefald, North Dakota
Steve Gaw, Missouri
Diane Munns, Iowa
LeRoy Koppendrayner, Minnesota
Louis Lamberty, Nebraska
David Hadley, Indiana

Kevin Wright, Illinois
Terence Fitzpatrick, Pennsylvania
Laura Chappelle, Michigan
Gary Hanson, South Dakota
Greg Jergeson, Montana
Judith Jones, Ohio

The following directors were present by conference call for the meeting:

Martin Huelsmann, Kentucky

Proxies for the following directors were established:

Talina Mathews, Kentucky as a proxy for Martin Huelsmann, after voting on bylaws.
Burnie Bridge as a proxy for Bert Garvin, Wisconsin, after voting on bylaws.

It was moved and seconded that Commissioner Dianne Munns be elected by unanimous ballot as the interim presiding officer, until a permanent presiding officer was elected. The motion was approved.

Agenda Item 1, Organizational Bylaws

It was moved and seconded that the "blank" in the second sentence of Article I of the June 5, 2003 draft OMS bylaws be deleted and that the following language be inserted in lieu thereof: "at such location, either within or outside of the state of Indiana, as the Board of Directors shall from time to time establish." The motion was approved.

It was then moved and seconded that the June 5, 2003 draft of the OMS bylaws, as amended at the organizational meeting of the OMS on June 11, 2003, be adopted as the final organization bylaws. The motion was approved.

Agenda Item 2, Seating of New Directors

It was moved and seconded that Judy Jones, Ohio; Bert Garvin, Wisconsin; and Gerry Forrest, Manitoba be seated as new members of the Board of Directors of the OMS. The motion was approved.

Agenda Item 3, Nomination and Election of Officers

It was moved and seconded that Susan Wefald be nominated for President, Kevin Wright be nominated for Vice-President, Laura Chappelle be nominated for Treasurer, and Steve Gaw be nominated for Secretary. The motion was approved. It was then moved and seconded that a unanimous ballot be cast to elect each of the above nominees to their respective officer position. The motion was approved.

Commissioner Wefald noted that the newly elected officers' term was for approximately six months, and that new elections would be held prior to January 2004.

It was moved and seconded that the four individuals elected as officers, as well as Commissioner Munns, be elected as the OMS Executive Committee. The motion was approved.

Agenda Item 4, Election of the 2004 Nominating Committee

It was moved and seconded that the following be nominated to serve on the 2004 Nominating Committee: Commissioners Jergeson, Garvin and Jones. The motion was approved. It was then moved and seconded that a unanimous ballot be cast electing each of the above individuals to the Nominating Committee. The motion was approved.

Agenda Item 5, Consideration for Adoption of Funding Agreement

It was moved and seconded that the proposed Funding Agreement of the OMS be effective upon the signature of the President of the OMS, and Mr. James Torgeson, Chief Executive Officer of the Midwest Independent Transmission System Operator, Inc. (MISO). The motion was approved.

Agenda Item 6, Consideration of Adoption of Proposed 2003 Budget

It was moved and seconded that the proposed 2003 budget for the OMS be adopted. The motion was approved.

Agenda Item 7, Planning and Assignment of Initial Committee Work

It was moved and seconded that the following initial OMS work groups be established: Congestion Management and Financial Transmission Rights Allocation; Transmission Planning and Siting; Resource Adequacy and Capacity Markets; Market Monitoring and Mitigation; Seams Issues; MISO Market Rules and Implementation Guidelines. The motion was approved.

Agenda Item 8, Consideration for Adoption of a Job Description for the Position of Executive Director

It was moved and seconded that the proposed job description for the position of Executive Director be adopted, and that the Executive Committee be authorized to hire a new executive director, subject to Board of Directors' approval. The motion was approved.

Agenda Item 9, Additional Motion and Other Matters

It was moved and seconded that the Board of Directors, acting on behalf of the Organization, the Members and Board of Directors, (i) ratify the actions taken by the various persons, including (but not limited to) the initial directors, the incorporator and participating commissioners and staff persons, to incorporate the Organization and complete the other organizational steps, provided such actions were taken in good faith, and (ii) waive any procedural, notice or other non-substantive defects in the actions taken and proceedings conducted in good faith to effect the organization of the Organization. The motion was approved.

Commissioner Wefald stated that it was the Executive Committee's intent to file for a tax i.d. number, start the 501 (c) (4) tax exempt process, and take any other actions necessary to finalize the start of the new organization. NARUC will be aiding the OMS in starting the tax exempt process. Progress reports will be provided to the Board of Directors on these items periodically.

Agenda Item 10, Schedule for Next Meeting

It was moved and seconded that the next OMS Board of Directors meeting be held by conference call on June 25, 1:00 central standard time. The motion was approved.

Commissioner Wefald stated that Missouri agreed to post information concerning the time and place of upcoming OMS Board of Directors meetings on an interim basis, until the OMS can put up its own website. MISO will also post a link to these meeting notices. Commissioner Wefald then stated that two items to be discussed at the next Board of Directors Meeting were (1) a motion by the transmission owners at the May 2003 MISO Advisory Council meeting, which was the subject of a June 10, 2003 memo by Commissioner Wright, and (2) a document entitled "MISO Advisory Process – Role of State Commission Representatives." It was then suggested that an additional agenda item for the next Board meeting should be implementation of the OMS work group effort. Some preliminary discussion of this item followed. Commissioner Wefald asked that each OMS state send Commissioner Wright the names of their staff that are already serving on MISO committees, as well as the names of staff that are interested in the topics covered in the 6 OMS work groups. Commissioner Gaw noted that each work group should have at least one involved Board member. Commissioner Wefald stated that state commissioners not serving on the OMS Board of Directors are encouraged to also participate in the OMS work groups. Commissioner Munns emphasized the importance of each work group establishing timelines and work plans for their work.

It was moved and seconded that the meeting be adjourned. The motion was approved.