

ORGANIZATION OF MISO STATES, INC.
SPECIAL BOARD MEETING MINUTES
June 11, 2004

NOTE: APPROVED July 8, 2004

Commissioner Susan Wefald, President of the Organization of MISO States, Inc. (OMS), called the June 11, 2004 Special Meeting of the OMS Board of Directors to order via conference call at approximately 9:00 a.m. (cdt). The following directors were present for the meeting:

Susan Wefald, North Dakota
Steve Gaw, Missouri
Bob Nelson, proxy for Laura Chappelle, Michigan
Robert Garvin, Wisconsin
John Harvey, proxy for Diane Munns, Iowa
LeRoy Koppendrayner, Minnesota
Judy Jones, Ohio
Glen R. Thomas, newly designated director, Pennsylvania

Absent: Illinois
 Indiana
 Kentucky
 Manitoba
 Montana
 Nebraska
 South Dakota

Also Present:

Randy Rismiller, Illinois
Jeff Webb, MISO

The Directors and proxies listed above established the necessary quorum for the meeting of at least eight Directors being present.

President Wefald announced that there would be two items of business on the meeting agenda. She then called on VP Steve Gaw to present the MISO Advisory Committee issues.

Action Item 1: MISO Advisory Committee Issues - Steve Gaw

Steve explained the second item on the upcoming MISO Agenda concerned the "Strawman" Proposal - a proposal to modify MISO's governance guide. This proposal is intended to clarify how items reach the A/C agenda.

Steve indicated support for the Strawman Proposal, recognizing that additional improvements can be made. Bert Garvin indicated this improved process offers a better anticipation of issues reaching agenda. John Harvey considers it a move forward and a good start in terms of process. Could be further improved by having both sides of issues presented.

President Wefald determined that a consensus was established and for the advisory committee representatives to express OMS support for the Strawman Proposal at the MISO A/C meeting, with the request that both sides of disputed issues be presented.

Before the second MISO A/C agenda item was discussed, President Wefald asked Jeff Webb, MISO's Director of Planning to present his report.

Item 2: Report: MISO Summer 2004 Assessment Study - Jeff Webb, MISO
Jeff Webb reported on MISO's Coordinated Summer Assessment of the Midwest ISO transmission system. The study was coordinated with other reliability coordinators including PJM, TVA, SPP, Southern Company Services, Entergy, and with active participation from the TOs.

The study was intended to provide system operators with information about system performance under various contingency conditions, so that operators can better anticipate conditions that could require operator actions to maintain reliability. This year's study tested some additional assumptions. One new level focused on major metro areas and the ability to withstand outages under contingencies. Study concluded the system will perform adequately but needs vigilance for some contingencies. Study indicated some metro areas more resilient than others; MISO gave results to TOs and reliability coordinators. Will distribute today to PSCs, FERC, NERC and others.

Because the study methodology "stacked contingencies until the system breaks", the study is considered "Critical Energy Infrastructure Information" and must be treated as CEII and should not be further copied or distributed or released.

Discussion Q & A followed.

Jeff answered the question "were some states contacted already where there is more potential for voltage instability?" by assuring the commissioners that in areas with high problem potential, MISO communicated the results directly to the state regulators as well as the companies.

John Harvey asked Jeff whether the report was complete when it was presented at the May MISO Board meeting. Jeff said the report was modified after the May Board meeting based on consultations with utilities. After the modifications, Iowa's potential was lowered and it was not necessary to contact the Iowa Utilities Board in advance.

President Wefald then addressed the other Advisory Committee voting item. She referred to Steve Gaw to report on MISO's Eastern Interconnection Phasor Project.

Action Item 1: MISO Advisory Committee Issues - Continued.

Steve Gaw referred to Bill Smith to summarize the report the OMS board had just received from Bill Malcolm of MISO on the Eastern Interconnection Phasor Project. Bill mentioned these key points:

- Technology transfer from DOE of the Western Interconnection Wide Area Monitoring System - that is used for disturbance simulation, model verification and oscillation sensing.
- DOE has organized a similar project for the Eastern Interconnection (EIPP) but on a smaller scale
- EIPP - Implementation over 5 years
 - MISO finance - TO install and own PMUs
 - Cost less than \$0.005 per Mwh of load served.
- What it does:
 - 1) Measures the state of the transmission system and time stamps the data by clocks synchronized by GPS satellite signals.
 - 2) Measures at high speeds (20-60 samples per second) to identify growing oscillations-potential voltage instability.
 - 3) Communicates the data to concentrators at Carmel, St. Paul and Ameren
 - 4) Archives the data at the concentrators
 - 5) Provides access to data from desk top PC
- MISO is proposing to have task forces set up under the Reliability Subcommittee for Carmel and St. Paul (MISO + other MAPP members) to develop systems.
- Who is participating in the meetings? MISO, Ameren, TVA, AEP, NYPA, Southern Company, Entergy, SPP NERC, UWIG, Vendors and University consultants.

President Wefald asked for discussion. Steve Gaw commented that the issue on MISO's A/C agenda centers on creating a task force to coordinate MISO's participation in the project. There doesn't seem to be a question of whether to participate in the project, but how OMS is to interface with it.

President Wefald asked if OMS should support the new work group? Steve Gaw and John Harvey thought they'd learn more from the TO meeting Wednesday, June 16 at 8:30 a.m. The consensus from the directors present was to support forming a working group to coordinate MISO's work on the issue.

ANNOUNCEMENTS:

Next regular OMS BOD meeting to be held June 16, 2004 at 12:00 noon (cdt) in Madison, Wisconsin.

Meeting adjourned at 9:35 a.m. (cdt)