

**The Organization of MISO States Board of Directors will hold a meeting by conference call, Thursday, January 13, 2005 at 2:00 pm. (central time)** The call in number is 877-452-6418. The conference code is 7013282400 followed by the # sign. Board members who cannot attend the call should notify Ken Nickolai to designate a proxy for this meeting.

### **Agenda**

Attendance

Recognition of Proxies

Declaration of a Quorum

Call Meeting to Order

Approval of the Minutes of the December 9 Board Meeting – Ken Nickolai, Secretary  
(Minutes will be sent by January 10.)

Review of the Actions of the Executive Committee on December 23

Approval of the Treasurer's Report – Steve Gaw, Treasurer (Report to be sent by January 10.)

### **Business Items**

**1. Progress Report: Comments on Market Readiness** – Nancy Campbell (document to be sent by January 10.)

**2. Progress Report: State Commission Access to Confidential Data** – David Hadley (document to be sent by January 10.)

**3. Action item – Shall the OMS participate in and designate its lead state representative to the MISO Board of Directors Special Advisory Committee?**  
– Bert Garvin, Steve Gaw, Diane Munns

**4. Report - MISO Advisory Committee Issues** - VP Bert Garvin  
(This material will be distributed January 12, or when MISO Advisory Agenda is available.)

**5. Information: Status of MISO's Regional Expansion Criteria and Benefits Task Force work** - Randy Rismiller, Bill Smith

**Administrative Report** – Executive Director, Bill Smith (to be sent by January 10)

### **Announcements:**

1. To schedule RTO 101, contact Julie Mitchell or Bill Smith.

2. Special Board Meeting to consider readiness comments and comments on access to confidential data – Thurs., January 20, 2:00 pm Central Time.

3. OMS Executive Committee Meeting – Thurs., January 27, 2:00 pm Central Time.

**ORGANIZATION OF MISO STATES, INC.  
ANNUAL MEETING MINUTES  
December 9, 2004**

**DRAFT**

Remarks from FERC Representatives Dan Larcamp and Chris Miller preceded the business portion of the OMS Annual Meeting.

Commissioner Susan Wefald, President of the Organization of MISO States, Inc. (OMS), called the 2004 Annual Meeting of the OMS to order in Carmel, IN at approximately 11:00 a.m. (EST) The following commissioners were present for the meeting:

Susan Wefald, North Dakota  
Kevin Wright, Illinois  
Steve Gaw, Missouri  
Laura Chappelle, Michigan  
Diane Munns, Iowa  
David Hadley, Indiana  
Mark David Goss, Kentucky  
Ken Nickolai, Minnesota  
Greg Jergeson, Montana  
Judy Jones, Ohio  
Glen Thomas, Pennsylvania  
Gary Hanson, South Dakota (participated by phone)  
David Sapper, proxy for Bert Garvin, Wisconsin (participated by phone)

Manitoba absent  
Nebraska absent

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

Other parties were also present at the Annual Meeting. (see attached list)

**Welcome from Jim Torgerson, MISO Chair**

Jim Torgerson, Chair of Midwest ISO Board of Directors, extended a welcome to the OMS participants and observers at the OMS Annual Meeting.

**Approval of Minutes of the November 10 OMS BOD Meeting**

David Sapper moved for approval of the November 10 OMS BOD Meeting minutes. The Directors voted to unanimously approve the minutes as distributed.

**Approval of Minutes of the November 23 OMS Special BOD Meeting**

David Sapper moved for approval of the November 23 OMS Special BOD Meeting minutes. The Directors voted to unanimously approve the minutes as distributed.

**Treasurer's Report**

Laura Chappelle presented the Treasurer's Report as distributed to OMS board members.

## **Cash on Hand**

To date, the OMS has received \$650,000 from the MISO and is holding the remaining balance in an account at Bank One. As of November 30, 2004, the balance in the Bank One account was \$353,853.61.

## **Expenditures to Date**

Total disbursements for November 2004 were \$21,218.28 Total disbursements for the 2004 calendar year are \$274,425.25.

## **OMS Audit and Tax Filing Update**

The OMS Audit process began this month. The auditors Ryun, Givens, & Wenthe & Co., PLC recommended that OMS file the Form 990 on a calendar year basis. Therefore, the OMS filing for the tax year 2003 was sent to the IRS on November 22, 2004. The auditors attached an explanation for the late filing and requested that any penalties for late filing be abated. The 2004 Form 990 will be filed timely in May of 2005.

## **Review of Actions of the Executive Committee on November 30**

President Wefald listed the following item from the November 30 Executive Committee Meeting:

- Attorney Solicitation Process - Five law firms were recommended from which OMS may select additional representation: Karegianes & Field, Gorak & Bay, William Mogel and Robert Gee, Eisen Law Offices and Law Offices of Scott Hempling. These firms will comprise the recommended counsel list for 2005.

## **Business Items**

### **1. Reports from OMS Work Groups on Current Issues**

- President Wefald asked each of the Work Group Chairs to present a brief report of their work groups' current issues. The following work group chairs gave presentations: Randy Rismiller, Pricing; Mike Proctor, Congestion Management and FTR Allocation; Margaret Barnabee, Demand Response; Don Neumeyer(for Jan Karlak), Resource Adequacy and Capacity Markets; David Hadley, Market Monitoring and Market Power Mitigation; Nancy Campbell, Market Rules and Implementation Timelines; Lisa Pappas (for Bob Nelson), Seams Issues; Bill Smith (for Klaus Lambeck), Transmission Planning and Siting
- The work group reports are attached to these minutes.
- Each of the current work group chairs announced the chairs elected for the 2005.  
Congestion Management and FTR Allocation - Mike Proctor and John Harvey (co-chairs)  
Demand Response - Lisa Pappas and TBA (co-chairs)  
Market Monitoring & Market Power Mitigation - David Hadley  
Market Rules and Implementation Timelines - Nancy Campbell  
Pricing Issues - Randy Rismiller and Mike Proctor (co-chairs)  
Resource Adequacy and Capacity Markets - Jan Karlak  
Seams Issues - Bob Nelson  
Transmission Planning and Siting - Amy Christensen and Jerry Lein (co-chairs)

### **2. Action Item. Nominating Committee Report - Greg Jergeson**

Greg Jergeson read the slate of 2005 Executive Committee Nominees to be ratified for 2005.

- President: Kevin Wright, Illinois
- Vice-President: Bert Garvin, Wisconsin
- Secretary: Ken Nickolai, Minnesota (replacing Leroy Koppendrayner as director for Minnesota)
- Treasurer: Steve Gaw, Missouri

At-Large: Judy Jones, Ohio

- Greg also presented the 2005 Nominating Committee.  
Susan Wefald, North Dakota  
Laura Chappelle, Michigan  
Greg Jergeson, Montana

Commissioner Wefald asked if there were any additional nominations for individuals to serve as OMS officers in 2005. Hearing none, Greg Jergeson moved and Laura Chappelle seconded that a unanimous ballot be cast for the candidates nominated for officers positions by the Nominating Committee in 2004. The motion was approved by a unanimous voice vote of the directors.

At this point in the meeting President-elect Kevin Wright presented a gift of appreciation to the outgoing OMS president, Susan Wefald. Vice President Steve Gaw presented plaques to outgoing executive committee members, Susan Wefald, Laura Chappelle and Diane Munns, for their leadership and service to OMS for the past two years.

### **3. Discussion. Status report of OMS outline of comments of Market Monitoring issues - David Hadley**

David Hadley circulated a written report to OMS board members with confidential information his work group has prepared in consultation with Scott Hempling, whose law firm was hired by OMS to assist in comment preparation for the MMWG. Part of what the work group is doing is to demonstrate to the FERC how the states will keep data confidential. The WG is in need of examples of how the states can do this. David indicated the states have compromised where they were able to do so, but have not compromised where the states have statutory obligations. David requested that OMS board members not discuss specifics at this meeting, but direct the discussion to process elements.

President Wefald stated that MMWG has been in negotiations with MISO about language MISO used in the MISO Tariff. Twenty days after the MISO tariff is filed OMS plans to file its comments. David Hadley indicated that the question about why states need the data will attempt to be answered in the comments. Several OMS board members stated their support of the process David Hadley's MMWG is doing to address this issue.

Commissioner Munns asked if addressing the market readiness issue would be enough for FERC to realize that OMS and FERC have entered into a partnership and must treat each other as such.

### **4. Action Item. Shall OMS approve new Stage 2 Process for Approving Position Statements - Susan Wefald**

The Board has approved Stages 1 and 3 of the Process for Approving Position Statements. New language has been drafted for Stage 2, which was approved by the Executive Committee in November and is now ready for final discussion and voting. President Wefald stated that one suggestion was made and is underlined. President Wefald read the highlighted passage and asked for comments. After some discussion, Kevin Wright moved to retain the language as written in the document distributed to board members. Steve Gaw seconded the motion.

### **Roll Call Vote Taken: Do you favor retaining the language as written in the Process for Approving Position Statements document distributed to OMS board in Stage 2?**

#### **Yes**

Indiana  
Iowa  
Kentucky  
Michigan

#### **No**

Illinois  
Ohio  
North Dakota

Minnesota  
Missouri  
Montana  
Pennsylvania  
South Dakota  
Wisconsin

10 - yes

3 - no

2 - absent

Motion carries

OMS directors approved the Stage 2 Process for Approving Position Statements. The OMS Process for Approving Position Statements, Stages 1, 2 and 3 is now approved. The final document is attached to the minutes.

#### **5. Summary of OMS Accomplishments in 2004 - Susan Wefald**

President Wefald presented a list of accomplishments the OMS has achieved. The entire list is attached to the minutes.

#### **6. Action Item. Performance Review for Executive Director - Susan Wefald**

President Wefald requested and received authorization from board members to give her authority to conduct a performance review of Bill Smith, OMS Executive Director.

#### **Administrative Report - Bill Smith**

- Encouraged states to take advantage of the RTO 101 training.
- Presented the list of OMS WG chairs elected for 2005 (see Item 1)

#### **Announcements:**

- OMS Executive Committee Meeting - December 23 at 2:00 pm (central)
- Please send in expense vouchers for this meeting by January 10, 2005

#### **Business meeting adjourned at 1:15 pm EST**

At the conclusion of the OMS business meeting, two presentations followed:

- **Report from David Patton, MISO Market Monitor**
- **Report from Dan McCormick, MISO Readiness Advisor**

Highlights of these presentations are attached to these minutes.

Organization of MISO States  
Report of the Former Treasurer  
Laura Chappelle, Michigan PSC  
to the  
Board of Directors  
January 13, 2005

**Report for December 2004**

**Cash on Hand**

To date, we have received \$700,000 from the MISO and are holding the remaining balance in our account at Bank One. As of December 31, 2004, our balance in the Bank One account was \$373,236.74.

**Expenditures to Date**

Total disbursements for December 2004 were \$30,776.35. Total disbursements for the 2004 calendar year were \$305,201.60. As of the December 31, 2004 reconciliation, the ending balance contained outstanding checks totaling \$7,176.27. We ask that anyone currently holding a check issued by OMS, cash that check. In addition, if you still need to request a reimbursement for travel during 2004, please submit the request as soon as possible.

**OMS Audit Update**

The lead auditor from Ryun, Givens, & Wenthe & Co., PLC submitted a list of documents to be provided to him as soon as all of our 2004 transactions are completed.

**Transitioning of Officers**

At this time we will not be changing banks. Bank One Signature cards will be sent to the new signers and returned to the Bank prior to the January Board meeting. The Michigan Staff will be working with the Missouri Staff and the OMS Office Staff to ensure a smooth transition.

**TREASURER'S REPORT**  
**Organization of MISO States (OMS)**  
**December 31, 2004**

			12/31/2004
			<u>TOTALS</u>
<b>Commercial Checking with Interest</b>			
<b>Beginning Balance as 12/1/04</b>			<b>\$ 353,853.61</b>
12/15/04	Wire Transfer		50,000.00
12/31/04	Interest Payment	<u>159.48</u>	
	Total Deposits		\$ 50,159.48
<b>Checks and Charges</b>			
Date	Check #	Descriptions	
12/9/04	1528	Combined Systems Technology (CST)	1,166.00 (1)
12/9/04	1529	Wisconsin PSC-November MISO Advisory Comm. & BOD Mtgs./WI	325.28
12/9/04	1530	Travel Advance for RTO 101 Workshop/Manitoba	1,200.00 (2)
12/9/04	1531	Void	-
12/9/04	1532	Minnesota Dept. of Commerce/MISO Advisory Committee Mtg/MN	100.00
12/9/04	1533	NARUC & MISO Mtgs (Nov. 14-18, 2004)/ED	768.97
12/21/04	1534	December MISO Mtgs & OMS Annual Meeting/ED	52.95 *
12/21/04	1535	MISO Market Meetings (Nov. 29-30)/IA	330.89 *
12/21/04	1536	December MISO AC & BOD Mtgs and OMS Workgroup & Annual Mtgs/MT	715.91
12/21/04	1537	November MISO A/C & BOD Mtgs/MO	110.50 *
12/21/04	1538	November MISO A/C & BOD Mtgs/MO	105.83 *
12/21/04	1539	Missouri Dept. of Revenue/November MISO Mtgs/MO	276.00 *
12/21/04	1540	100 Court Investors LLC/OMS Rent & Parking for January	874.21
12/21/04	1541	DWX - January Web Hosting	35.00 *
12/21/04	1542	Infomax Office Systems, Inc (January 2005)	170.66 *
12/21/04	1543	The Hartford	3,727.00 (3)
12/21/04	1544	Law Offices of Scott Hempling, P.C.	2,312.50 *(4)
12/21/04	1545	InterCall	953.21 (5)
12/21/04	1546	OMS Annual Meeting/ND	670.52 *
12/21/04	1547	December MISO AC, OMS Workgroup & Annual Mtgs/MN	452.14 *
12/21/04	1548	Commonwealth of PA/OMS Annual Mtg/PA	441.75 *
12/21/04	1549	OMS Annual Meeting/OH	46.83 *
12/21/04	1550	December MISO AC & BOD Mtgs and OMS Workgroup & Annual Mtgs/IL	232.32 *
12/21/04	1551	OMS Annual Meeting/IA	356.30 *

12/21/04 1552 OMS Annual Meeting/ND

502.90 \*

12/21/04	1553	December MISO AC, OMS Workgroup & Annual Mtgs/MI	180.00	*	
12/21/04	1554	OMS Annual Meeting/MI	156.77		
12/21/04	1555	OMS Annual Meeting/OMS Office	22.04	*	
12/22/04	1556	Heavenly Sweets - Lunches for Annual Meeting	405.45	*	
12/27/04	1557	December MISO AC, OMS Workgroup & Annual Mtgs/MI	26.24		
12/27/04	1558	Bank One-December Credit Card Payment	1,498.69	(6)	
12/27/04		Miscellaneous Deposit to offset expenses	(255.38)	(7)	
12/29-30/04		December Payroll (inc. Employer & Employee taxes)	12,814.87		
		Total Checks and Charges			<u>30,776.35</u>
		Net Activity			<u>19,383.13</u>
<b>CHECKING ACCOUNT BALANCE 12/31/04</b>					<u>\$ 373,236.74</u>

Notes: \* Indicates that check was still outstanding at the time the Bank Account was reconciled (month end).

- (1) Payment for the purchase of engineering time for computer system and network maintenance (six-months of maintenance).
- (2) Travel Advance for representative of Manitoba Public Utilities Board to attend RTO training in North Dakota.
- (3) Annual Premium Renewal for Business Owners (\$2,510) & Workers Compensation (\$1,217) Insurance. (1/05-1/06)
- (4) Payment for legal work regarding State Regulatory Commission's Access to Confidential Data.
- (5) In addition to the regular Monthly OMS BOD Meeting & Executive Committee Calls, there were eight additional special conference calls or work group calls.
- (6) Credit Card charges include travel expenses totaling \$1,207.70 for the Exec. Dir. & Office Manager, USPS of \$40.36, Kinko's of \$13.73 and the Qwest Communication Bill of \$236.90 ( Phone/fax charges). Charges of \$195.38 were reimbursed by the Executive Director, see Note 6.
- (7) This deposit consisted of five checks 1) Reimbursement of Travel Expense placed on OMS Credit Card for \$195.38 2) Payment for six lunches totaling \$60, purchased by non-OMS members at the OMS Annual Meeting (4 checks in total).

**Midwest ISO Advisory Committee Meeting**  
**Lakeside Corporate Center - Carmel, IN**  
**January 19, 2005**  
**10:00 A.M. to 4:00 PM EST**  
**DIAL IN NUMBER: (800) 949-2163**  
**No need to register in advance.**

**Meeting Agenda**

		<u>Starting</u>
1. Call to Order, Representative Roll Call (Patty Harrell)	5 min.	10:00
2. Review of Agenda (Patty Harrell)	5 min.	10:05
3. Outstanding Business		
a. Approval of December 8, 16, & 22, 2004 Minutes (Patty Harrell)	5 min.	10:10
b. President's Report (Jim Torgerson)	10 min.	10:20
(i) Scorecard Update and External Communication		
(ii) Special Committee to the Board Update		
(iii) Market Readiness Certification Update		
c. MISO Staff Reports		
(i) Operations Report (John Bear)	5 min.	10:30
(ii) Legal Report and Instructions/Timeline for BOD Elections (Steve Kozey)	10 min.	10:35
(iii) Finance Report & Credit & Security Agreement Deadline (Mike Holstein)	10 min.	10:45
d. Midwest Market Implementation Update (Mark Griffin)	60 min.	10:55
(i) Status of Twelve Market Safeguards (Mark Griffin)		
(ii) Update on Market Trials To-Date (Mark Griffin)		
(iii) Critical Path Item Update (Mark Griffin)		
(iv) Market Participant Communication Plan (Todd Hillman)		
(v) Updates to Market Participants' Activity List (Todd Hillman)		
 <b>LUNCH / BREAK</b>	 <b>45 min.</b>	 <b>11:55</b>
e. Readiness Advisor Update (SAIC)	20 min.	12:40
f. MIGTF Monthly Update (Steve Beuning)	20 min.	1:00
g. Control Area Readiness Update (Allen Phelps)	10 min.	1:20
h. Update on Mandatory Aspects of Market Trials (Ron McNamara)	30 min.	1:30
i. Timing of Day-Ahead Market (Ron McNamara)	10 min.	2:00
j. SECA Charges Implementation (Jeff Sprague)	5 min.	2:10
k. Transmission Owners' Report (Ron Jackups/Gregory Ioanidis)	10 min.	2:15
l. OMS Report (Bert Garvin)	10 min.	2:25
m. Finance Subcommittee Update (Bert Garvin)	10 min.	2:35
 <b>BREAK</b>	 <b>15 min.</b>	 <b>2:45</b>
n. Working Group and Task Force Reports	10 min.	2:55
(i) Ancillary/Reserves Market (Market Subcommittee)		
(ii) Communication Policy Update (CRWG)		
Call for questions, not a reading of reports. Discussion of any stakeholder questions.		

**Midwest ISO Advisory Committee Meeting  
Lakeside Corporate Center - Carmel, IN  
January 19, 2005  
10:00 A.M. to 4:00 PM EST  
DIAL IN NUMBER: (800) 949-2163  
No need to register in advance.**

**Meeting Agenda**

- |   |                   |                |
|---|-------------------|----------------|
| 4. New Business   |                   |                |
| a. Governance Training (Patty Harrell)                    | 5 min.            | 3:05           |
| b. Rotating Agenda Team Monthly Calls (Patty Harrell)     | 5 min.            | 3:10           |
| c. Review of Advisory Committee Charter (Patty Harrell)   | 5 min.            | 3:15           |
| 6. Recap  |                   |                |
| a. Pending Topics and Votes for February (Anne Bos)       | 2 min.            | 3:20           |
| b. Issues and Assignments to Work Groups (April Paronish) | 2 min.            | 3:22           |
| 7. Selected List of Upcoming Meetings                     |                   |                |
| Advisory Committee  | February 16, 2005 | 10:00 A.M. EST |
| Board of Directors  | February 17, 2005 | 8:30 A.M. EST  |

√ **Denotes potential motion for voting**

# OMS Report to Advisory Committee

- OMS Annual Meeting December 9 elected new officers:
    - President: Kevin Wright, Illinois
    - Vice-President: Bert Garvin, Wisconsin\*
    - Secretary: Ken Nickolai, Minnesota\*
    - Treasurer: Steve Gaw, Missouri
    - At-Large: Judy Jones, Ohio\*
- \* Advisory Committee representatives

**OMS**

Organization of MISO States

# OMS Report -2

- OMS is continuing discussions with other sectors on state commission access to confidential data. OMS plans to file an Offer of Proof with FERC on January 28.
- OMS staff is preparing a paper on market readiness.
- Both documents will be considered at a special Board meeting around January 27.

**OMS**

Organization of MISO States

# OMS Report - 3

- OMS is sponsoring RTO 101 training under DOE funding. Two states have had the presentation.
- OMS Reliability Adequacy Work Group has arranged information sessions on capacity market concepts for OMS commissions.

**OMS**

Organization of MISO States

OMS Executive Director Report  
To Board of Directors January 10, 2005

FERC Activity

1. MISO Transmission and Energy Market Tariff – Docket Nos. ER04-691 and Grandfathered Agreements Docket No. EL04-104. On October 5, 2004, MISO filed its compliance tariff on the FERC’s August 6 order. OMS filed comments October 26. FERC issued an order on rehearing November 8. OMS has been watching five issues from the order.
  - State Commission Access to Confidential Data. OMS filed rehearing on September 3. FERC granted 120 days for additional discussion and an Offer of Proof. The Market Monitoring Work Group is conducting discussions with MISO and stakeholders. The next meeting is January 14. Comments on Scott Hempling’s draft should be sent to Bob Pauley by January 12. A final draft should be sent January 21 for consideration at a special OMS Board meeting January 27.
  - Market Readiness. FERC asked OMS to address readiness issues. OMS addressed its plans for future comment in its October 26 filing. Market Rule and Implementation Working Group is preparing a draft with a target circulation date of January 14. This draft would also be considered at a January 27 special board meeting.
  - Control area functions issues are the subject of a settlement agreement filed October 5, 2004; FERC action expected soon.
  - FTR allocation. OMS addressed FTR for seasonal resources in the September 3 and October 26 filings. FERC’s November 8 rehearing order affirmed the OMS position.
  - GFA’s: The FERC acted on the ALJ findings on September 16. FERC’s rehearing order should be issued soon. MISO filed a report on administration of carved-out GFA contracts on November 15.
2. Through and Out Rates – Docket No. ER05-6, EL02-111-004, ER05-6
  - The Unified Plan and the Regional Pricing Plan were filed on October 1. OMS did not submit comments. FERC issued an order November 19 setting a new pricing structure. Effective December, a Seams Elimination Cost Adjustment is in place, to be replaced in 2006 by a license plate rate design. Rehearings and waivers have been requested on several issues.
3. Reactive Power, Schedule 21, Docket No. ER04-961. MISO’s compliance filing was made November 1.
4. NESCOE filing, Docket No. EL04-112. Awaiting FERC action.

## DOE Activity

1. RTO 101 presentations by John Chandley of LECG Consulting have been made to two states. These presentations are available to each OMS state under funding from DOE and Lawrence Berkeley National Laboratory. States should contact the OMS office with suggested dates to plan their presentation.
2. OMS Commissioner workshop series on Capacity Markets: Events are January 12 and 26, 1:00 – 3:00 CST, (2:00 – 4:00 Eastern / Indiana) and February 13, 10:30 – 12:30 Eastern. See January 6 (5:53 p.m.) e-mail for further details.

## Other OMS Activity:

1. The siting survey conducted by the NRRI and the Brattle Group was released December 16.
2. Officer transition is taking place smoothly.

## Public Relations

1. Pending speaking/meeting invitations:
  - None pending

To: OMS Board of Directors

CC: OMS Market Monitoring / Mitigation Committee Members

From: Commissioner Dave Hadley, Chairman of the Market Monitoring /Mitigation Committee

Subject: Assistance Regarding January 28<sup>th</sup> “Offer of Proof” Filing with the FERC

The draft covers state needs from Scott based on his expertise in matters dealing with the Federal Power Act. We believe it would be useful to inject the state perspectives in more detail.

Specifically, in addition to the seven headings in Scott’s draft, we need to expand on: 1. Why the states need this access to confidential information outside of our states’ statutes. This is where we must get to the heart of multi-state / OMS’ needs. We need you and your staff to offer examples: A) FTR analysis, B) Planning, C) Market Monitoring, D) Resource Adequacy, E) Other specific examples are needed. To assist your review, we have attached Scott Hempling’s draft.

**Time Line:**

Since the OMS is needs to deliver our completed document (“offer of proof”) by Friday January, 28, To accomplish this deadline and permit states to have adequate time to review this document:

- A. Wednesday January 12, We need your ALL comments due (REDLINED) by close of business.
- B. Tuesday January 18, Commissioner Hadley will send the completed / consolidated draft to the Committee.
- C. Thursday January 20, conference call with Market Monitoring / Mitigation Committee to discuss the draft.
- D. Friday January 21, Commissioner Hadley will send out the final draft to all Commissions.
- E. Thursday January 27, OMS Board of Directors vote on the filing.
- F. Friday January 28, Filing with the FERC if approved by OMS Board of Directors

**Additional Dates:**

**Thursday January 13**, 1 PM (EST) Market Monitoring / Mitigation Committee Conference  
Call to discuss tariff language in advance of next stakeholder negotiations.

**Friday January 14** Stakeholder negotiations and FERC mediator - 8:30 AM – 2 PM (EST)

**Monday January 17**, Martin Luther King Jr. Day

**Wednesday January 19**, MISO Advisory Committee Meeting

**Thursday January 20**, MISO Board Meeting

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## Status Update on OMS Market Readiness Comments to the FERC

- The Market Rules and Implementation Timelines (MRIT) WG & Seams WG have put together a first draft of the OMS comments to the FERC on Market Readiness. The draft was sent out to the MRIT WG & Seams WG late on Tuesday, Jan. 11, 2005.
- The Market Readiness Comments as they are currently drafted basically provide the following overall conclusion: OMS is not the expert on if the MISO energy market is ready, only the MISO experts, Independent Readiness Advisor and Independent Market Monitor can provide this technical information. As a result OMS will highlight in our comments areas we want to ensure are completed and usable prior to market start-up. These comments are based on OMS's involvement in MISO's process such as: the Metric Interpretive Guidance Task Force (MIGTF), Readiness Advisor Meetings, Independent Market Monitor's Review, Parallel Operations and Systems Tests, and MISO Reports.
- Some of the main areas highlighted in the comments are: 1) MIGTF issues: financial exposure as is relates to FTR modeling; Systems Integration - 12 system readiness metrics and MISO's late software patches which may not give market participants enough time to update their own systems. 2) Readiness Advisor – weak areas are market participants training and metering. 3) Parallel Operations I and System Operations – lack of market participant participation, market portal stability issues, lack of functionality, load calculations and forecasts, reserve sharing processes, meter data accuracy, settlements issues, and incomplete business practices manuals. 4) MISO Advisory & Market Subcommittee Reports – MIGs concerns such as 168-hour simulated market test (Parallel Ops I not adequate need to verify after Parallel Ops II), Final Systems Testing – need to perform this testing after all of MISO's software patches are in place. 5) Others – data access as a readiness issue, and Seams and Joint Operating Agreements.

Updated timeline for Market Readiness Comments are:

- Red-line edits are due to Nancy Campbell & Bill Smith on Friday, Jan. 14 at noon.
- Tentative Meeting of MRIT WG & Seams WG on Monday, Tuesday, Jan. 18 at 2 pm central, 3 pm eastern – depending on amount of red-line comments and possible need for consensus building.
- Comments provided to Bill Smith to distribute to the OMS Board on Friday, Jan. 21.
- Special OMS meeting to discuss Market Readiness Comments Thursday, Jan. 27, 2005?
- Comments due to the FERC on Market Readiness on Friday, Jan. 28, 2005.