

ORGANIZATION OF MISO STATES, INC.
Board of Directors Annual Meeting
December 14, 2006

The following board members or their proxies participated in the meeting:

Kevin Wright, Illinois
Greg Server, Indiana
John Norris, Iowa
Jeff Johnson, proxy for Mark David Goss, Kentucky
Laura Chappelle, Michigan
Ken Nickolai, Minnesota
Steve Gaw, Missouri
Greg Jergeson, Montana
Tim Texel, proxy for Eugene Bady, Nebraska
Susan Wefald, North Dakota
Judy Jones, Ohio
Kim Pizzingrilli, Pennsylvania
Gary Hanson, South Dakota
Dan Ebert, Wisconsin

Absent

Manitoba

Non-proxy staff participating

Randy Rismiller, Christine Ericson, Mary Collins – Illinois
Bob Pauley, Cathy Brewster, Robert Mork, Susan Macey, Bob Endris – Indiana
Parveen Baig, Frank Bodine, David Habr – Iowa
Jorge Valladares, A.W. Turner – Kentucky
Angie Butcher, Ken Roth, Sally Talberg – Michigan
Nancy Campbell, Burl Haar, Tom Pugh – Minnesota
Candace Beery, Brad Molnar, Bryan Baldwin – Montana
Kim Joyce, Sheryl Delozier – Pennsylvania
David Sapper, Randel Pilo – Wisconsin

Also Bill Smith and Julie Mitchell - OMS Staff

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

Presentations, Discussions & Business

1. Remarks from Commissioner Suedeem Kelly, FERC

Commissioner Kelly spoke and then took questions from Board members.

2. Welcome from Graham Edwards, Midwest ISO President and CEO

MISO President Graham Edwards spoke and then took questions from Board members.

3. Report from David Patton, MISO Market Monitor

Dr. David Patton, MISO Market Monitor, gave a presentation reviewing the peak load events in the summer of 2006 and the issues from those events that need to be addressed. He then took questions from Board members.

4. Nominating Committee Report from the November 2006 OMS Board of Directors Meeting and Election of Officers. – Susan Wefald, Chair of Nominating Committee

It was moved to nominate and elect the officers put forward by the 2006 nominating committee. The nominations & elections were seconded. The motions were approved by unanimous voice vote.

It was moved to nominate and elect the board members put forward by the 2006 nominating committee. The nominations & elections were seconded. The motions were approved by unanimous voice vote.

5. Treasurer's Report – Kim Pizzingrilli

OMS Treasurer Kim Pizzingrilli presented the November Treasurer's Report.

The beginning balance as of November 1 for the Wells Fargo Business Performance Savings Account was \$56,238.57. Interest earned for this month was \$150.42. The November 30, 2006 balance was \$56,388.99.

The beginning balance as of November 1 for the Chase Bank One Checking account was \$122,624.69. The total disbursements from the checking account for November 2006 were \$28,805.07, deposits totaled \$40,064.45 and interest earned was \$64.45. As of November 30, 2006, the checking account bank balance was \$149,599.38 and the book balance was \$133,884.07 (with 16 checks outstanding).

The total savings and checking account balances as of November 30, 2006 is **\$190,273.06.**

It was moved the treasurer's report be accepted. The motion was seconded. The motion was approved by unanimous voice vote.

6. Banking Resolution

It was moved to give new OMS President Laura Chappelle and new OMS Treasurer Greg Jergeson authorization to withdraw and deposit money from OMS bank accounts on behalf of the organization. The motion was seconded and passed by unanimous voice vote.

7. Report from Bob Lieberman, OMS Chair Demand Response Initiative

Commissioner Lieberman gave a presentation on Demand Response and introduced the Midwest Demand Response Initiative (MWDRI). After the presentation, he took questions from Board members.

8. Work Group Chair Presentations

The following chairs gave updates behalf of their work groups:

Congestions & FTR: Mike Proctor

Long Term Development & Governance: Burl Haar

Market: Angie Butcher

Pricing: Randy Rismiller

Resource Adequacy: Jan Karlak

Market Monitoring: Bob Pauley

Transmission Planning & Siting: Jerry Lein

9. OMS Comments on RECB Filing

Mike Proctor gave an overview of the RECB process.

Administrative Report

Bill Smith gave his administrative report, highlighting that the office lease and the Board of Director's Insurance policy have been renewed.

The meeting adjourned at approximately 3:30pm EST

**Additional Information on the OMS Slate
from your
OMS Nominating Committee**

Attached is the proposed slate of Officers and Nominating Committee Members, including the dates their terms expire and an explanation of how any vacancies would be handled. *Recently, the Nominating Committee learned that Tom Pugh will be replacing Ken Nickolai as Minnesota Representative on the OMS Board of Directors. The nominating committee has asked Tom to serve on the Nominating Committee, and he has agreed to have his name proposed as a candidate for that position.* If you have any questions, please contact the present members of the Nominating Committee, Susan Wefald and Dan Ebert.

Officers

President Laura Chappelle, Michigan – term ends 6/07.

Vice President and Lead MISO Advisory Committee Member John Norris, Iowa – term ends 4/11

Treasurer Greg Jergeson, Montana – term ends 12/10

Secretary and MISO Advisory Committee Member Dan Ebert, Wisconsin – term ends 3/09

Board member at Large and MISO Advisory Committee Member Kevin Wright – term ends 1/07

Nominating Committee

Susan Wefald, North Dakota – term ends 12/08

Tom Pugh, Minnesota – term ends 1/11

Steve Gaw, Missouri – term ends 4/07

How will OMS deal with a vacancy if X leaves office?

The Bylaws State:

- President – the VP becomes president and the Exec Committee can name a new VP.
- Board member at Large and MISO Advisory Committee Member – the Exec Committee can name a replacement, and would look first to retail choice states in this situation.
- Nominating Committee - the Exec Committee can name a replacement, and would try to complement the other members.

OMS

**Organization of MISO States
Report of the Treasurer
Kim Pizzingrilli, Pennsylvania PUC
to the
Board of Directors
December 14, 2006
Report for November 2006**

CASH ON HAND

The beginning balance as of November 1 for the Wells Fargo Business Performance Savings Account was \$56,238.57. Interest earned for this month was \$150.42. The November 30, 2006 balance was \$56,388.99.

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The total savings and checking account balances as of November 30, 2006 is **\$ 190,273.06**.



TREASURER'S REPORT
Organization of MISO States
November 30, 2006

Certificates of Deposit

TOTALS

Balance as of 11/1/06		\$	-	
Certificates of Deposit Balance as of 11/30/06				\$ -

Wells Fargo Business Performance Savings Account

Balance as of 11/1/06		\$	56,238.57	
10/30/06	DEP	Interest on Savings	150.42	
Business Performance Savings Account Balance at 9/30/06				\$ 56,388.99

Chase Bank One Commercial Checking with Interest

Balance as of 11/1/06		\$	122,624.69	
11/24/06	DEP	ACH from Midwest ISO	\$ 40,000.00	
11/30/06	DEP	Interest on Checking	\$ 64.45	
		Total Deposits		\$ 40,064.45

Checks and Charges

Date	Check #	Descriptions
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11/3/06	2143	OH travel reimbursement for MISO Advisory Committee Meeting on October 17 - 18, 2006 in Carmel.	\$	272.11
11/6/06	2144	ND travel reimbursement for US DOE Visualization and Controls Peer review on October 17 - 18, 2006 in Washington, DC.	\$	1,045.15
11/6/06	2145	Sprint for October 2006 broadband data card for ED's laptop.	\$	61.26
11/10/06	W/D	PayChex fee for October 2006.	\$	106.06
12/1/06	2146	IA travel reimbursement for MISO DRTF and Market Subcommittee Meetings on November 7 - 8, 2006 in Carmel.	\$	466.47
12/1/06	2147	IA travel reimbursement for MISO Market Subcommittee and ASF Meetings on November 8 - 9, 2006 in Carmel.	\$	642.39
12/1/06	2148	IA travel reimbursement for Demand response task Force Meeting on November 7 - 8, 2006 in Carmel.	\$	402.00
12/1/06	2149	OH travel reimbursement for MISO AC Committee Meeting on November 15, 2006 in Carmel.	\$	196.84
12/1/06	2150	DWX for OMS website hosting for December 2006 and DWX for domain registration(miso.org) for the period 11/24/06 to 11/23/7.	\$	65.00
12/1/06	2151	CST for two 500VA Uninterruptible Power Supply (UPS) for OM's and ED's computers \$126.90; three years extended warranty on OMS's server \$514.10; Dell laptop computer replacement for ED \$2330.94; and two years extended warranty on OM's computer \$179.14.	\$	3,151.08

12/1/06	2152	Intercall for conference calls for OMS BOD, EX COM and WG Meetings in October 2006.	\$	2,756.09
12/1/06	2153	100 Court Investors, LLC for OMS office rent and parking for December 2006.	\$	874.21
12/1/06	2154	Infomax for copier, fax and printer lease for December 2006.	\$	172.31
12/2/06	W/D	Qwest for October 2006 telephone, fax, DSL charges.	\$	209.49
12/2/06	W/D	Chase Bank One Visa for October 2006 charges. (See below for details).	\$	2,931.28
12/4/06	2155	IL travel reimbursement for MISO AC and OMS meetings on October 17 - 19, 2006 in Carmel.	\$	193.63
12/4/06	2156	IL travel reimbursement for MISO AC and OMS meetings on October 17 - 19, 2006 in Carmel.	\$	48.00
12/4/06	2157	IA travel reimbursement for MISO AC, BOD, and PAC meetings on October 18 - 19, 2006 in Carmel.	\$	315.90
12/4/06	2158	OH travel reimbursement for MISO AC and BOD meetings on October 17 - 19, 2006 in Carmel.	\$	189.01
11/29/06	WD	November Payroll (Including Employer & Employee taxes).	\$	11,740.12
11/30/06	WD	OM - Deferred Compensation Deposit (Including Employee W/H and Employer Match).	\$	800.00
11/30/06	WD	ED - Deferred Compensation Deposit (Including Employee W/H and Employer Match).	\$	2,166.67
Total Checks and Charges			\$	<u>28,805.07</u>
CHECKING ACCOUNT BALANCE 11/30/06				<u>\$ 133,884.07</u>

CERTIFICATES OF DEPOSIT, SAVINGS AND CHECKING ACCOUNT BALANCES AS OF 11/30/06**\$ 190,273.06**

NOTE: Report includes checks and withdrawals made through 12/4/06 since these items were approved for payment during November but were not issued until early December due to other necessary work activities.

CHASE CHECKING ACCOUNT RECONCILIATION

	<u>Check #</u>	<u>Amount</u>
Bank Balance 11/30/06		\$ 149,599.38
Less: Checks O/S	W/D	\$ 800.00
	W/D	\$ 2,166.67
	1970	\$ 57.40
	2114	\$ 16.28
	2145	\$ 61.26
	2146	\$ 466.47
	2147	\$ 642.39
	2148	\$ 402.00
	2149	\$ 196.84
	2150	\$ 65.00
	2151	\$ 3,151.08
	2152	\$ 2,756.09
	2153	\$ 874.21
	2154	\$ 172.31
	W/D	\$ 209.49
	W/D	\$ 2,931.28
	2155	\$ 193.63
	2156	\$ 48.00
	2157	\$ 315.90
	2158	\$ 189.01
Book Balance 11/30/06		<u>\$ 133,884.07</u>

CHASE OMS VISA CARD PURCHASES

ED Omni Shoreham Hotel for travel to NARUC World Energy Forum, FERC Technical Conference on October 8 - 12, 2006 in Washington, DC. \$ 914.62

ED	Airport parking for travel to NARUC World Energy Forum, FERC Technical Conference on October 8 - 12, 2006 in Washington, DC.	\$	27.00
ED	Fuel for rental car for travel to MISO AC and BOD Meetings on October 17 - 19, 2006 in Carmel.	\$	6.76
ED	Rental car for travel to MISO AC and BOD Meetings on October 17 - 19, 2006 in Carmel.	\$	124.02
ED	Parking for rental car for travel to MISO AC and BOD Meetings on October 17 - 19, 2006 in Carmel.	\$	13.00
ED	DoubleTree Guest Suites for travel to MISO AC and BOD Meetings on October 17 - 19, 2006 in Carmel.	\$	194.02
ED	Carrabba's Italian Grill for meals for ED and 7 members for travel to MISO AC and BOD Meetings on October 17 - 19, 2006 in Carmel.	\$	181.66
ED	Airfare for travel to OMS Annual Meeting on December 12 - 14, 2006 in Carmel.	\$	219.20
ED	Booking fee for travel to OMS Annual Meeting on December 12 - 14, 2006 in Carmel.	\$	30.00
ED	Registration fee for NARUC Annual Convention on November 11 - 14, 2006 in South Beach, FL.	\$	595.00
ED	Lunch for ED and 4 members after MISO ASM presentation at Iowa Utilities Board meeting on November 1, 2006.	\$	39.13
OM	United States Post Office for stamps.	\$	78.00
OM	Airfare for travel to OMS Annual Meeting on December 12 - 14, 2006 in Carmel.	\$	219.20
OM	Booking fee for travel to OMS Annual Meeting on December 12 - 14, 2006 in Carmel.	\$	30.00
OM	Best Buy for Canon Desk Top Color Printer and Scanner.	\$	259.67
Total Chase Card Purchases October 2006		\$	2,931.28

OMS Banking Resolution for 2007

Resolved, pursuant to Article X, Section 4, the Board of Directors of the Organization of MISO States, Inc. does hereby grant authority to Greg Jergeson, Chairman of the Montana Public Service Commission and Treasurer of the Organization of MISO States, Inc. and Laura Chappelle, Commissioner of the Michigan Public Service Commission and President of the Organization of MISO States, Inc. and William H. Smith, Jr., Executive Director of the Organization of MISO States, Inc. to sign all contracts, checks and orders for the payment, receipt or deposit of money on behalf of the Organization of MISO States, Inc. and to further access all securities of the Organization.



Organization of MISO States

100 Court Avenue, Suite 218
Des Moines, Iowa 50309

Phone: 515-243-0742
Fax: 515-243-0746
www.misostates.org

OMS Executive Director Report December 11, 2006

FERC and DOE Activity

1. On November 29, 2006, the FERC issued a rehearing order reaffirming its February 3 order that generally accepted the RECB filing allocating costs of new reliability transmission projects. The order also accepted the 20% regional sharing. 117 FERC ¶61,241, Docket No. ER06-18.
2. The FERC issued an order on December 5 denying rehearing of its July 14 order with respect to the PJM market monitoring function. The order further limits the reports the market monitor can provide to state commissions. The FERC signaled its intent to initiate a review of its market monitoring policies in a technical conference in early 2007.
3. The FERC and state commissions held a collaborative dialogue on November 12 to discuss coordination of electricity demand response policies, co-chaired by FERC Commissioner Wellinghoff, North Carolina Commissioner Ervin, and Minnesota Commissioner Reha. Further dialogues are expected but not yet planned.
4. FERC accepted the OMS recommendation to extend the comment date on the RECB II filing until December 21. The filing proposes criteria for Regionally Beneficial Projects and procedures for allocating the costs of those projects to transmission customers.
5. The FERC delayed the filing of cross-border rates that had been scheduled for December 1. It will set a new filing date after review of comments to be filed December 15. Docket No. ER05-6.

OMS-MISO Activity:

1. The Transmission Planning and Siting Work Group gave the MISO staff some questions and observations based on the draft Midwest Transmission Expansion Plan (MTEP06). The plan was reviewed at a special meeting of the Advisory Committee on November 29. The

MISO Board deferred its consideration until February, allowing further review during January.

2. The OMS provided comments to the MISO on its strategic plan update.
3. The OMS Board approved a position paper on rate design issues for presentation to the MISO Board on December 13.
4. The Midwest ISO has conducted briefings for state commissions explaining the proposed Ancillary Services Market. A filing is now scheduled to be made February 15.

Public Relations

1. Presentations
 - OMS President Gaw spoke to the Midwest Modernizing the Grid Regional Summit in Columbus, Ohio, November 15-16.
 - Bill Smith reported to the National Wind Coordinating Committee on the work of the Northwest Subgroup on December 5.
2. Pending speaking/meeting invitations:
 - OMS has been invited to make a presentation to the Generation Summit, February 25-27, 2006.

Upcoming MISO Filings of Regional Interest

Filing Date	Docket No.	Description	Pursuant to Commission Order
2007	ER05-6-023, EL04-135-025, EL02-111-043 and EL03-212-039	The Midwest ISO to submit its compliance filing concerning the cross-border economic planning cost allocation proposal.	113 FERC ¶ 61,194 at P 24 (2005) and Midwest ISO/PJM Extension of Time filed May 17, 2006
1/16/07	EL07-4/29/07	The Midwest ISO to submit its comments in response to the Commission's inquiry concerning Gas-Electric Coordination Issues	117 FERC ¶ 61,094 (2006)
1/29/07	RM06-8-000	The Midwest ISO to submit a compliance filing regarding long-term FTR transmission rights in markets with locational pricing pursuant to Order No. 681	116 FERC ¶ 61,077 (2006)

2/23/07	EL02-65-000, ER04-375-000 and ER04-521-000	The Midwest ISO and PJM to submit their 120-day informational report on the progress towards a joint and common market and implementation of the JOA.	106 FERC ¶ 61,251 (2004); 108 FERC ¶ 61,143 (2004) and 110 FERC ¶ 61,226 (2005)
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CURRENT OMS PROJECTS

RECB comments due December 21

ICF Benefits Study (Release uncertain – early 2007)

Comments to MISO BoD on Rate Design (December Advisory
Committee)

Comments to MISO BoD on Joint and Common Market (early 2007)

Demand response Initiative – launched October 16, first steering
committee meeting early 2007

MTEP review – January 2007

MISO State Ratemaking Study Group – MISO to fine tune its “32-
charges” training.

Data confidentiality and access and FERC Market analysis calls

Transmission rights task force review and long-term FTRs

Joint and Common Market

Ancillary services Market

Review Reserve Sharing Groups

Refresher training and new member orientation