

**ORGANIZATION OF MISO STATES, INC.**  
**Board of Directors Special Meeting**  
**Conference Call Notes**  
**November 9, 2006**

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

Kevin Wright, Illinois  
Bob Pauley, proxy for David Hadley, Indiana  
John Norris, Iowa  
Jeff Johnson, proxy for Mark David Goss, Kentucky  
Laura Chappelle, Michigan  
Mike Proctor, proxy for Steve Gaw, Missouri  
Tim Texel, proxy for Eugene Bade, Nebraska  
Susan Wefald, North Dakota  
Judy Jones, Ohio  
Kim Pizzingrilli, Pennsylvania  
Gary Hanson, South Dakota  
Dan Ebert, Wisconsin

Absent

Manitoba  
Minnesota  
Montana

State Agency staff participating

Randy Rismiller, Illinois  
A.W. Turner, Kentucky  
Michigan Staff  
Kevin Holtsberry, Ohio  
John Levin, Pennsylvania  
Greg Rislov, South Dakota  
David Sapper, 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.

**Approval of Minutes of the October 12, 2006 meeting**

Kim Pizzingrilli moved that the minutes of the October 12 Board meeting be accepted. Laura Chappelle seconded. The motion was approved by unanimous voice vote.

**Treasurer's Report** – Kim Pizzingrilli

OMS Treasurer Kim Pizzingrilli presented the October 2006 Treasurer's report.

**CASH ON HAND**

The beginning balance as of October 1 for the Wells Fargo Business Performance Savings Account was \$56,083.56. Interest earned for this month was \$155.01. The October 31, 2006 balance was \$56,238.57.

The beginning balance as of October 1 for the Chase Bank One Checking account was \$109,940.61. The total disbursements from the checking account for October 2006 were \$28,791.66, deposits totaled \$41,475.74, including the interest earned of

\$61.74. As of October 31, 2006, the checking account bank balance was \$126,626.66 and the book balance was \$122,624.69.

The total savings and checking account balances as of October 31, 2006 was **\$178,863.26**.

**Kevin Wright moved to accept the Treasurer's Report. Gary Hanson seconded. The report was accepted by unanimous voice vote.**

### **Review of the October 24<sup>th</sup> Executive Committee Meeting**

Bill Smith highlighted the following from the meeting:

- Proposed OMS speaking engagements were discussed, including the Modern Grid in Columbus which Steve Gaw agreed to do. Bill Smith gave a brief overview of the format Commissioner Gaw would be
- Preparations for the Annual Meeting were discussed.
- The Executive Committee also discussed a slight change in the way the Board plans to review documents; to save time by not having each change in phrasing put to a formal motion.

### **Business Items**

#### **1. MISO Advisory Committee Issues – Judy Jones.**

Judy Jones led the Board through the voting items on the agenda for the next MISO A/C meeting.

- **Ancillary Services Market Filing Update.** Judy Jones expressed a belief that this vote will be delayed. Bill Smith was unsure if it would be or not.
- **Finance Subcommittee Recommendation on Capital & Operating Budget.** Susan Wefald and Kevin Wright were unsure if OMS had actually taken a voting position on the budget in the past. David Sapper stated that he believed OMS had abstained last year. It was decided that the Board members would review the recommendations and let Bill Smith know by November 13<sup>th</sup> how they wanted the A/C representatives to vote and Bill Smith would pass that information along.
- **Data Posting Working Group Charter.** Judy Jones explained that the purpose of the charter is to provide more information in a timely and efficient manner. It was decided to support the charter.
- **MTEP 06.** Judy Jones stated the MTEP vote had been changed to an update.

#### **2. Nominating Committee Report – Susan Wefald.**

The Nominating Committee proposed the following:

- President: Commissioner Laura Chappelle, Michigan
- Vice President and Lead Advisory Committee Member: John Norris, Iowa
- Treasurer: Commissioner Gary Hanson, South Dakota
- Secretary and Advisory Committee member: Commissioner Dan Ebert, Wisconsin
- Board Member at Large and Advisory Committee member: Commissioner Kevin Wright, Illinois

#### **3. Comment to FERC on RECB II Filing – Randy Rismiller/Mike Proctor**

Mike Proctor provided an overview of the Pricing Group's process and reported their progress in the development of the comment document.

#### **4. Comment to MISO Board on MTEP - Jerry Lein/David Sapper**

Jerry Lein provided a status report on the Transmission Planning & Siting WG's work.

- Jerry Lein recommended that at this time the OMS vote no on the MISO Advisory Committee accepting the plan without more time to consider it.
- Mike Proctor expressed some concern that MTEP 06 includes projects that are inappropriate and gave several examples.

#### **5. Comment to FERC on the Joint and Common Market Filing**

Bill Smith reported on the status of the filing for the Market Work Group.

#### **6. Update on MWDRI /DRTF – Bob Lieberman/John Norris**

Mary Collins updated the directors on recruitment to the MWDRI steering committee. John Norris reviewed the DRTF meeting in Carmel.

#### **7. Update on the Annual Meeting Plans – Bill Smith.**

Bill Smith highlighted plans for the OMS Annual Meeting.

#### **MISO Update** – Graham Edwards.

Mr. Edwards joined the call and spoke about the ICF study. He also stated he had received a request from OMS to extend the time for review for MTEP and he will recommend to the MISO Board that they do that.

#### **Executive Director's Report** – Bill Smith

The report was distributed to all directors. (It follows the minutes.)

- Bill reviewed the upcoming project deadlines listed below:
  - December 20 (approx) Comment date on ancillary services market
  - December 20 (approx) Comment on cross-border cost allocation
  - February 17 (approx) Comment on long-term FTRs

#### **Announcements**

- Informal lunch with OPSI members at NARUC, Sunday, November 12, 12:30 pm (EST)
- MISO Breakfast 7:00 -8:30 am (EST) Sunrise Tellin Room, Monday, November 13 at NARUC
- The next OMS Executive Committee Meeting will be held Tuesday, November 28 at 2:00 pm (CST)
- A Special OMS Board Meeting will be held Thursday, December 7 at 2:00 pm (CST).
- The OMS Annual Meeting will be held Thursday, December 14 in Carmel from 11:00 am - 4:00 pm(EST)

The meeting adjourned at 4:01 CST.

## OMS

**Organization of MISO States  
Report of the Treasurer  
Kim Pizzingrilli, Pennsylvania PUC  
to the  
Board of Directors  
November 9, 2006  
Report for October 2006**

### **CASH ON HAND**

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TREASURER'S REPORT  
Organization of MISO States  
October 31, 2006

Certificates of Deposit

TOTALS

Balance as of 10/1/06	\$	-	
Certificates of Deposit Balance as of 10/31/06			\$ -

Wells Fargo Business Performance Savings Account

Balance as of 10/1/06	\$	56,083.56	
10/31/06 DEP Interest on Savings.		155.01	
Business Performance Savings Account Balance at 10/31/06			\$ 56,238.57

Chase Bank One Commercial Checking with Interest

Balance as of 10/1/06	\$	109,940.61	
10/2/06 DEP The Hartford Insurance Company for refund/audit of 2005 OMS Workers Compensation Insurance premium.	\$	1,414.00	
10/23/06 DEP ACH from Midwest ISO.	\$	40,000.00	
10/31/06 DEP Interest on Checking.	\$	61.74	
Total Deposits	\$	41,475.74	

Checks and Charges

Date	Check #	Descriptions	
10/3/06	2114	OPSI for over payment of OPSI's portion of the July 31, 2006 luncheon charge incurred by OMS and OPSI for the Regulator Luncheon at the NARUC Summer Meeting in San Francisco.	16.28
10/3/06	2115	ED travel reimbursement for MISO Advisory Committee Meeting on September 19, 2006 in St. Paul.	\$ 37.00
10/3/06	2116	ED travel reimbursement for OPSI Retreat on September 17 - 19, 2006 in Cambridge, MD.	\$ 11.19
10/3/06	2117	IA travel reimbursement for MISO-PJM Joint and Common Market Meeting on September 7 - 11, 2006 in Wilmington DE. And MISO Market Subcommittee Meeting on September 11 - 13, 2006 in Carmel.	\$ 946.39
10/3/06	2118	IA travel reimbursement for MISO Market Subcommittee and TRTF Meetings on September 11 - 13, 2006 in Carmel.	\$ 472.50
10/3/06	2119	MT travel reimbursement for MISO Market Subcommittee and TRTF Meetings on September 11 - 13, 2006 in Carmel.	\$ 966.22

10/3/06	2120	ND travel reimbursement for MISO AC Meeting and OMS TP&SWG's NW Subgroup Meetings on September 20 - 22, 2006 in St. Paul.	\$	783.56
10/3/06	2121	OH travel reimbursement for MISO Finance Committee Meeting on September 21, 2006 in St. Paul.	\$	631.90
10/3/06	2122	IA travel reimbursement for MISO AC Meeting (MISO AC representative) on September 20 - 22, 2006 in St. Paul.	\$	430.06
10/3/06	2123	SD travel reimbursement for MISO AC Meeting (MISO AC representative proxy) on September 20 - 22, 2006 in St. Paul.	\$	500.00
10/4/06	2124	ND travel reimbursement for OMS NW Subgroup (Chair) and MISO AC Meetings on September 20 - 22, 2006 in St. Paul.	\$	736.74
10/4/06	2125	OH travel reimbursement for MISO Fiance Committee Meeting on September 28, 2006 in Carmel.	\$	139.06
10/5/06	2126	WI travel reimbursement for OMS NW Subgroup and MISO AC Meetings on September 19 - 21, 2006 in St. Paul.	\$	521.63
10/10/06	W/D	PayChex fee for September 2006.	\$	95.06
10/13/06	2127	IA travel reimbursement for OMS NW Subgroup and MISO AC Meetings on September 20 - 22, 2006 in St. Paul.	\$	281.87
10/13/06	2128	OH travel reimbursement for MISO AC Meeting (MISO representative) on September 19 - 21, 2006 in St. Paul.	\$	871.03
10/20/06	2129	Triplett Office Essentials for copier paper and folders.	\$	86.11
10/20/06	2130	DWX for OMS website hosting for November 2006.	\$	35.00
10/20/06	2131	Sprint for June, July, August and September 2006 broadband data card for ED's laptop.	\$	245.04
10/20/06	2132	Intercall for conference calls for OMS BOD, EX COM and WG Meetings in September 2006.	\$	1,362.61
10/20/06	2133	100 Court Investors, LLC for OMS office rent and parking for November 2006.	\$	874.21
10/20/06	2134	Qwest for September 2006 telephone, fax, DSL charges.	\$	202.39
10/20/06	2135	Chase Bank One Visa for September 2006 charges. (See below for details).	\$	2,296.10
10/20/06	2136	Infomax for copier, fax and printer lease for November 2006.	\$	172.31
10/20/06	2137	Wall Street journal for subscription renewal.	\$	215.00
10/20/06	2138	ED travel reimbursement for NARUC World Energy Forum on October 8 - 12, 2006 and FERC commissioners meeting on October 10 - 12, 2006 in Washington, DC.	\$	78.95

10/20/06	2139	IA travel reimbursement for MISO Subcommittee and TRTF Meetings on October 3 - 4, 2006 in Carmel.	\$	543.85
10/23/06	2140	ED for meals for travel to MISO AC and BOD meetings on October 17 - 29, 2006 in Carmel.	\$	21.40
10/23/06	2141	OH travel reimbursement for MISO Finance Committee Meeting on October 16, 2006 in Carmel.	\$	252.27
10/23/06	2142	MO travel reimbursement for NARUC World Energy Forum on October 8 - 12, 2006, FERC Technical Conference and FERC Commissioners meetings on October 8 - 12, 2006 in Washington, DC.	\$	394.10
10/30/06	WD	October Payroll (Including Employer & Employee taxes).	\$	11,855.16
10/30/06	WD	OM - Deferred Compensation Deposit (Including Employee W/H and Employer Match).	\$	800.00
10/30/06	WD	ED - Deferred Compensation Deposit (Including Employee W/H and Employer Match). <i>Includes correction of last month's \$250.00 error.</i>	\$	1,916.67

Total Checks and Charges \$ 28,791.66

CHECKING ACCOUNT BALANCE 10/31/06 \$ 122,624.69

CERTIFICATES OF DEPOSIT, SAVINGS AND CHECKING ACCOUNT BALANCES AS OF 10/31/06 \$ 178,863.26

**CHASE CHECKING ACCOUNT RECONCILIATION**

	<u>Check #</u>	<u>Amount</u>
Bank Balance 10/31/06		\$ 126,626.66
Less: Checks O/S	W/D	\$ 800.00
	W/D	\$ 1,916.67
	1970	\$ 57.40
	2114	\$ 16.28
	2139	\$ 543.85
	2140	\$ 21.40
	2141	\$ 252.27
	2142	\$ 394.10
Book Balance 10/31/06		<u>\$ 122,624.69</u>

**CHASE OMS VISA CARD PURCHASES**

ED	Hyatt Regency Chesapeake Bay for travel to OPSI Retreat in Cambridge, MD on September 17 - 19, 2006.	\$	539.26
ED	Fuel for rental car for travel to OPSI Retreat in Cambridge, MD on September 17 - 19, 2006.	\$	19.19
ED	Thrifty Car Rental Arlington for travel to OPSI Retreat in Cambridge, MD on September 17 - 19, 2006.	\$	143.80
ED	The Downtowner Woodfire Grill for dinner from three for travel to MISO AC and NW Subgroup meetings on September 19 - 21, 2006 in St. Paul.	\$	87.55
ED	The Saint Paul Hotel for travel to MISO AC and NW Subgroup meetings on September 19 - 21, 2006 in St. Paul.	\$	381.94
ED	Taxi for travel to MISO AC and NW Subgroup meetings on September 19 - 21, 2006 in St. Paul.	\$	21.08

ED	Service Fee for travel to MISO AC and BOD meetings on October 17 - 19,2006 in Carmel.	\$	30.00
ED	Airfare for travel to MISO AC and BOD meetings on October 17 - 19,2006 in Carmel.	\$	297.20
ED	Service Fee for travel to NARUC World Energy Forum and FERC Commissioners meetings on October 8 - 12, 2006 in Washington, DC.	\$	30.00
ED	Airfare for travel to NARUC World Energy Forum and FERC Commissioners meetings on October 8 - 12, 2006 in Washington, DC.	\$	703.20
OM	FedEx for overnight delivery of letterhead to Missouri Public Service Commission for Demand response Initiative letters.	\$	23.12
OM	FedEx for delivery of Chase Bank One Checking Account deposit.	\$	12.78
OM	FedEx for delivery of personnel contracts for signature.	\$	6.98
	<b>Total Chase Card Purchases September 2006</b>	<b>\$</b>	<b><u>2,296.10</u></b>





## Organization of MISO States

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### **OMS Executive Director Report November 8, 2006**

#### **FERC and DOE Activity**

1. On October 26, 2006, the FERC issued a rehearing order affirming its earlier order making revenue sufficiency guarantee (RSG) payments applicable to virtual transactions in the Midwest ISO market. It reversed its earlier order requiring refunds associated with virtual transactions. Docket No. ER04-691-074.
2. The FERC announced a collaborative dialogue on coordination of electricity demand response policies, to be co-chaired by FERC Commissioner Wellinghoff and North Carolina Commissioner Ervin and Minnesota Commissioner Reha. The Collaborative will first meet November 12 at the NARUC Convention.
3. On October 25, the FERC opened an inquiry into the coordination of scheduling and purchasing practices in gas markets with RTO and ISO electric markets. The Midwest ISO inquiry is Docket No. EL07-4-000.
4. On November 1, 2006, the FERC denied rehearing of New England's planned Forward Capacity Market. Docket Nos. ER03-563-060 and ER06-1465-000.
5. On October 19, 2006, FERC proposed approving 83 of 107 NERC reliability standards and funding for its regional organizations. Docket No. RR06-3-000.

#### **OMS-MISO Activity:**

1. The MISO released its draft Transmission Expansion Plan (MTEP06). Comments to MISO are requested by November 22. A special meeting of the Advisory Committee is scheduled for November 29 to consider the MTEP; the MISO Board is scheduled to act on it on December 14.
2. MISO has indicated further delays in modeling the Midwest energy market in order to complete the ICF benefit study.

3. On November 1, 2006, the Midwest ISO filed proposed criteria for Regionally Beneficial Projects and procedures for allocating the costs of those projects to transmission customers. Docket No. ER06-18. The FERC has noticed the filing with a comment date of November 22. The OMS Pricing Work Group recommends requesting an extension to December 21.
4. The OMS provided comments to the MISO Board on October 18 with respect to resource adequacy issues.
5. The Midwest ISO is conducting briefings to state commissions to explain the proposed Ancillary Services Market. A filing is scheduled to be made November 30.

### **Public Relations**

1. Presentations
  - President Gaw addressed the World Energy Forum in Washington on October 10.
2. Pending speaking/meeting invitations:
  - OMS President Gaw is scheduled to speak to the Midwest Modernizing the Grid Regional Summit in Columbus, Ohio, November 15-16. Mike Proctor will participate in a panel at this conference.
  - OMS has been invited to make a presentation to the Generation Summit, February 25-27, 2006.

### **Upcoming MISO Filings of Regional Interest**

<b>Filing Date</b>	<b>Docket No.</b>	<b>Description</b>	<b>Pursuant to Commission Order</b>
11/30		ASM filing	
12/1/06	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
1/29/07	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)

## CURRENT OMS PROJECTS

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RECB comments due November 22 (pending extension)

ICF Benefits Study (Release uncertain)

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

MTEP review

MISO State Ratemaking Study Group – MISO will offer training on its “32-charges” to the Indiana Commission in late November

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