



**ORGANIZATION OF MISO STATES, INC.
Special Board of Directors Meeting
Conference Call Minutes
December 6, 2007**

Approved February 14, 2008

John Norris, President of the Organization of MISO States, Inc. (OMS), called the December 6, 2007 Meeting of the OMS Board of Directors to order via conference call at approximately 2:00 p.m. (CST). The following board members or their proxies participated in the meeting:

Sean Brady, proxy for Robert Lieberman, Illinois
Greg Server, Indiana
John Norris, Iowa
Jeff Johnson, proxy for Mark David Goss, Kentucky
Monica Martinez, Michigan
Burl Haar, proxy for Tom Pugh, Minnesota
Greg Jergeson, Montana
Tim Texel, proxy for Eugene Bade, Nebraska
Susan Wefald, North Dakota
Valerie Lemmie, Ohio
Kim Pizzingrilli, Pennsylvania
Rolayne Wiest, proxy for Gary Hanson, South Dakota
Dan Ebert, Wisconsin

Absent
Manitoba
Missouri

Agency members participating

Bob Pauley – Indiana
Jim Wottreng - Wisconsin

Others on the call

Julie Mitchell - OMS Staff

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

BUSINESS

1. MISO Advisory Committee Issues - Dan Ebert

- There will be “Hot Topic” discussions on energy efficiency and MTEP-07.
- The Finance Committee has submitted a report and there will be a motion regarding that report.

- There are two motions regarding resource adequacy/Module E. One is from the end user group and the other is from SAWG/Market Subcommittee. Jan Karlak was able to further explain what those motions were and how the OMS sponsored positions were defeated. There was discussion about whether to continue to support the defeated provisions. It was decided that the AC members would lobby to put those provisions back in and that if that couldn't happen then the OMS AC representatives would talk with MISO leadership about a separate FERC filing.
- Regarding the additional voting items on the AC agenda, representatives were instructed to use their best judgment.

2. MISO Planning Advisory Committee Issues, Dec. 5th - Dan Ebert

Discussion was put off until the next meeting

3. Resource Adequacy Issues – Dan Ebert

Dan Ebert began the Resource Adequacy discussion with some background on the preamble to Module E and the changes he and his staff have made to the document since the last time the Board had discussed it.

- Sean Brady of Illinois suggested referencing the Federal Power Act instead of the Energy Policy Act. Jan Karlak pointed out that the wording in the first paragraph is almost verbatim from the State Savings Clause of the Energy Policy Act.
- Bob Pauley of Indiana suggested removing “The Midwest ISO” from the first sentence and simply stating that “The Energy Policy Act.” He also expressed concern about use of the term “delegation” and wondered about the need for the third paragraph – suggesting that it is broad enough that someone could make the argument that anything in the energy tariff may apply to the capacity market.
- Dan Ebert agreed with removing “The Midwest ISO” from the first sentence and also agreed with Illinois’ suggestion about the Federal Power Act. He reworked the sentence to read: “The Federal Power Act and most recently the Energy Policy Act of 2005 clearly express the intent of the Congress that the States have primary responsibility for and regulatory jurisdiction over Resource Adequacy issues, including safety, adequacy, and reliability of electric service within the State.”
- Jan Karlak suggested changing the third paragraph to read “...make any changes to the provisions in Module E of the Transmission and Energy Market Tariff...” Dan Ebert was concerned that there would be additional parts of the tariff that dealt with resource adequacy, but Indiana agreed that since this is the preamble to Module E it sounded like a good solution.
- The agreed solution for the “delegation” issue was to reword the fifth and sixth lines to say “In order to capture these efficiencies, the States are agreeable to the Midwest ISO to implementing some of the tasks necessary to administer and monitor Resource Adequacy. Any implementation of these administrative and monitoring functions by the Midwest ISO is done with the understanding that no State is ceding its regulatory jurisdiction over Resource Adequacy.”
- It was agreed to remove the seventh sentence.
- Dan Ebert moved to accept the preamble as changed. Sean Brady seconded. In the additional discussion it was agreed to float the document at the AC meeting.

- The motion passed 12-0 with no abstentions and 3 states absent. Those voting aye were: Illinois, Indiana, Iowa, Kentucky, Michigan, Minnesota, Montana, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin. Absent were Manitoba, Missouri and Pennsylvania.

4. Revenue Sufficiency Guarantee Issues – Jim Wottreng, Market WG

Jim Wottreng provided background and an update of the MISO RSG white paper and a timeline for the RSG task force and the MISO Market Subcommittee work on this issue.

- There is some concern that MISO is proceeding in contradiction with a FERC order, but MISO points to a different FERC order.
- The action item is a draft protest of the December 5th compliance filing on RSG, submitted to the OMS Board on December 6, 2007.
- The protest letter is due December 26, 2007. It was decided to table the issue until the annual meeting.

5. Annual Meeting Plans – Julie Mitchell, OMS Staff

Julie updated everyone on Annual Meeting plans and directed members to the OMS website for the updated schedule and agenda.

The meeting adjourned at 3:17 p.m. CST