



**ORGANIZATION OF MISO STATES, INC.
Special Board of Directors Meeting
Conference Call Minutes
March 13, 2008**

Approved April 10, 2008

John Norris, President of the Organization of MISO States, Inc. (OMS), called the March 13, 2008 meeting of the OMS Board of Directors to order via conference call at approximately 9:30 a.m. (CDT). The following board members or their proxies participated in the meeting:

Bob Lieberman, Illinois
John Norris, Iowa
Jeff Johnson, proxy for Mark David Goss, Kentucky
Angie Butcher, proxy for Monica Martinez, Michigan
Mike Proctor, proxy for Jeff Davis, Missouri
Greg Jergeson, Montana
Tim Texel, proxy for Eugene Bade, Nebraska
Susan Wefald, North Dakota
Valerie Lemmie, Ohio
Gary Hanson, South Dakota
Dan Ebert, Wisconsin

Absent

Indiana
Manitoba
Minnesota
Pennsylvania

Agency members participating

Randy Rismiller – Illinois
Laura Cvengros – Indiana
Jeff Kaman – Iowa
Rick Bertelson, Jorge Valladares – Kentucky
Bill Bokram, Cathy Cole – Michigan
Hwikwon Ham – Minnesota
Brian Dekiep - Montana
Jerry Lein – North Dakota
Paul Centolella, Jan Karlak, Dorothea Hives – Ohio
Greg Rislov – South Dakota
Don Neumeyer, Randel Pilo – Wisconsin

Others on the call

Bill Smith, 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. Discussion of Resource Adequacy Issue – Jan Karlak

- Jan Karlak reviewed the options for a “financial settlement” charge for LSEs who do not meet reserve margin requirements as laid out in the power point document distributed to OMS members on March 11th.
- There was discussion about what constituted an “auction” vs. “competitive bidding” under the plan.
- Concerns were raised that about the “gross CONE” standard and the frequency of setting the charges. Questions were raised about whether this would implement a capacity market.
- Discussion about administrative pricing followed with dialogue about whether the CONE would be the ceiling or the floor.
- Directors also discussed volatility in price signals and new investment and demand response.
- Jan Karlak presented and in-depth explanation of the planning reserve margin and network resources in relation to demand response and Module E.

The directors expressed each state’s position on the issue to give the Resource Adequacy Work Group (RAWG) some guidance – did it support administrative or market-based settlement charges. States indicating a market-based preference were: Illinois and Missouri. States supporting an administrative preference were: Iowa, Kentucky, Montana, Nebraska, North Dakota, Ohio and South Dakota. States indicating a preference for exploring both concepts were: Michigan and Wisconsin. States that were not present: Indiana, Manitoba, Minnesota and Pennsylvania

- President Norris and Vice President Ebert asked that the RAWG try to have straw proposals for both the market-based and administrative constructs ready to present to directors at the March 28, 2008 Special Board meeting.

ANNOUNCEMENTS

- March 28 – “Face-to-Face” Special Board Meeting on Resource Adequacy at OMS Commissioner Retreat, Columbus, Ohio
- April 10 – OMS Board of Directors Meeting (2:00 CDT)
- April 15 – “Face-to-Face” Special Board Meeting on Resource Adequacy following the OMS Sector meeting with MISO officers, Indianapolis, Indiana

ADJOURNMENT

The OMS Board of Directors meeting adjourned at 11:15 a.m. CDT.