



**ORGANIZATION OF MISO STATES, INC.
Board of Directors Meeting
Conference Call Minutes
May 13, 2010**

Approved June 10, 2010

Valerie Lemmie, President of the Organization of MISO States, Inc. (OMS), called the May 13, 2010 meeting of the OMS Board of Directors to order via conference call at approximately 1:00 p.m. (CDT). The following board members or their proxies participated in the meeting:

Sherman Elliott, Illinois
Dave Johnston, proxy for Jim Atterholt, Indiana
Rob Berntsen, Iowa
Monica Martinez, Michigan
Burl Haar, proxy for Tom Pugh, Minnesota
Robert Kenney, Missouri
Kim Moran, proxy for Greg Jergeson, Montana
Tony Clark, North Dakota
Valerie Lemmie, Ohio
Jim Melia, proxy for Ty Christy, Pennsylvania
Greg Rislov, proxy for Gary Hanson, South Dakota
Brian Rybarik, proxy for Lauren Azar, Wisconsin

Absent

Kentucky
Manitoba

Agency members participating

Randy Rismiller – Illinois
Robb Mork – IN-OUCC
Parveen Baig, Jeff Kaman – Iowa
Bill Bokram, Lisa Pappas – Michigan
Jerry Lein – North Dakota
Quanetta Batts – Ohio
Don Neumeyer – 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.

Approval of Minutes from March 11 and April 6, 2010

Monica Martinez moved for approval of the minutes of the March 11 and April 6, 2010 board meetings. Robert Kenney seconded. The motion was approved by unanimous voice vote.

Treasurer's Report – Robert Kenney

The beginning balance as of March 1 for the Wells Fargo Business Performance Savings Account was \$59,705.68. Interest earned for this month was \$10.14. The March 31, 2010 balance was \$59,715.82.

The beginning balance as of March 1 for the Chase Bank One Checking account was \$40,829.41. The total disbursements from the checking account for March 2010 were \$70,920.19. Deposits and interest were \$40,000.56. As of March 31, 2010, the checking account bank balance was \$40,394.27 and the book balance was \$9,909.78 (with 25 checks outstanding).

The total savings and checking account balances as of March 2010 is **\$69,625.60**.

Sherman Elliott moved to accept the treasurer's report for March, 2010. Burl Haar seconded. The motion was approved by unanimous voice vote.

The beginning balance as of **April 1** for the Wells Fargo Business Performance Savings Account was \$59,715.82. Interest earned for this month was \$9.25. Withdrawals from the account were \$30,000. The April 30, 2010 balance was \$29,725.07

The beginning balance as of April 1 for the Chase Bank One Checking account was \$9,909.78. The total disbursements from the checking account for April 2010 were \$49,134.72. Deposits and interest were \$70,636.53. As of April 30, 2010, the checking account bank balance was \$43,885.40 and the book balance was \$31,411.59 (with 22 checks outstanding).

The total savings and checking account balances as of April 2010 is **\$61,136.66**.

Sherman Elliott moved to accept the treasurer's report for April, 2010. Burl Haar seconded. The motion was approved by unanimous voice vote.

Review of the Executive Committee Meeting

Bill Smith reviewed the following items from the March 24, 2010 Executive Committee Meeting:

- The status of the upcoming OMS audit, which is an action item on this agenda;
- The need to have a periodic review of the OMS goals;
- The status of CARP;
- The ongoing Black Sea partnership;
- Grid School attendance.

Administrative Report from Executive Director – Bill Smith

Bill Smith highlighted the following from his written executive director's report:

- Bill Smith spoke to the National Association of Attorneys General (NAAG) in St. Louis at the group's environmental training program.

BUSINESS

1. MISO Advisory Committee Issues – Monica Martinez

- There is a motion to nominate Ron Rickman and Joann Thompson to serve on the nominating committee.
- Several motions regarding cost allocation including MISO's new proposal; OMS's proposal; Transmission Owner's proposal. RECB voted down the CARP proposal by 2/3rds. RECB is considering MISO's proposal and the TO proposal and a possible compromise proposal.
- Basic improvement to the charters, shouldn't impact the functioning of the work groups.

2. Planning Advisory Committee – Rob Berntsen

- Written report was distributed prior to meeting.
- OMS Regional Planning WG got together to consider comments on item #2 in that report. Rob reported on those discussions and the amended language that was recently released.

3. Policy on Advisory Committee Voting – Governance and Budget Work Group

- Randy Rismiller presented his recommendation on proportional voting, which involves rounding off to one decimal point. Governance and Budget WG recommended this as well.

Burl Haar moved to accept the policy on MISO's Advisory Committee voting as prepared by the OMS Governance and Budget Work Group. Sherman Elliott seconded. A roll call vote was taken.

Illinois - aye

Indiana - nay

Iowa - nay

Kentucky - absent

Manitoba - absent

Michigan - aye

Minnesota - aye

Missouri - aye

Montana - nay

North Dakota - nay

Ohio - aye

Pennsylvania – nay

South Dakota - nay

Wisconsin – nay

The motion failed with 7 nay votes, 5 aye votes, and 2 states absent.

- The board then discussed how to account for abstentions and absences. Burl Haar pointed out that the work group discussions for this centered around proportional voting. The group then discussed the definition of the vote they just took. A second vote was not needed on abstentions and absences.
- Valerie Lemmie stated that the Board would not change the by-laws on proportional voting or the issue of absences/abstentions.

4. OMS Goals for 2010, Quarterly Review – Bill Smith

- Bill Smith reported on the current status of the Goals for 2010 and examples of the progress being made: leadership – CARP/RECB; education – grid school; collaboration – Goodwill developed CARP process could lead to collaborative opportunities going forward.
- He also offered examples on the other specific goals.

5. CARP – Treatment of Remaining Issues – Valerie Lemmie

- Treatment of remaining issues is dependent upon what is decided at RECB.
- David Hadley spoke about the compromise proposal that RECB is considering.

- June 2nd is blocked off as possible CARP conference call meeting to discuss developments.
- There was further discussion about additional dates prior to the filing date in July.

6. RECB Task Force Update – Brian Rybarik

- There may need to be a conference call once RECB vote is taken, if there are significant changes.
- Lauren Azar intends to step down as the RECB chair on July 1.

7. Eastern Interconnection Planning Process – Brian Rybarik

- Brian Rybarik discussed leadership and participation by states.

8. OMS Comments on FERC Rulemaking on Compensation to Aggregators of Retail Customers – John Feit

- John Feit discussed the proposed comments which do not support the proposed rule that full LMP should be paid to ARC's for demand response reduction.

Greg Rislov moved to file. David Johnston seconded. The motion passed by unanimous voice vote.

9. OMS Intervention and Comments on Southwest Power Pool Cost Allocation Filing – Bill Smith

- Bill Smith provided background on this issue.
- There was discussion about the phrasing in the comments regarding the upcoming MISO filing and the appropriateness of intervening in another RTO's filing.

Robert Kenney moved to have OMS intervene and file comments. Burl Haar seconded. The motion passed by unanimous voice vote.

10. Report on Black Sea Partnership

- Bill Smith, Valerie Lemmie and Randy Rismiller met with reps from several Black Sea countries in Moldova.
- Valerie Lemmie discussed what OMS initiatives, including the modeling work, working groups, etc, would be of interest to the partners.
- Next meeting is currently scheduled to be in the fall and it will be in the U.S.
- Bill Smith will coordinate information sharing with individual states that are taking trips over the summer to visit their sister countries.

11. Approval of the 2009 OMS Tax Form 990 – Bill Smith

- Bill Smith presented the IRS tax form 990 & audit findings to the Board.
- The auditor advised that the Board approve the tax filing.

Greg Rislov moved acceptance and filing of the 990 tax form. Brian Rybarik seconded. The motion passed by unanimous voice vote.

Updates and Work Group Status Reports

Demand Response WG

- Written report follows minutes;

Transmission Cost Allocation WG

- No report;

Markets and Tariffs WG – Bill Bokram

- A more detailed report on the convex hull workshop #2 will be distributed after the meeting
- Written report follows minutes;

Resources WG – Don Neumeyer

- Don Neumeyer reported that MISO may be entertaining a mandatory capacity market; related to Duke Energy's cross-border concerns. The Board will work to arrange working time with MISO for the Resources Working Group to develop a comprehensive response to MISO's questions.
- Written report follows minutes;

Regional Planning WG

- No report;

Governance and Budget

- No report;

Modeling WG

- No report;

Duke Energy Update – Valerie Lemmie

- Valerie Lemmie reported that Duke Energy (Duke Ohio and Duke Kentucky) has notified the Ohio Commissioners of their intent to move to PJM.

ADJOURNMENT

The OMS Board of Directors meeting adjourned at 2:30 pm CDT.

*O***M***S*

**Organization of MISO States
Report of the Treasurer
Robert Kenney, Missouri Public Service Commission
to the
Board of Directors
April 8, 2010
Report for March 2010**

CASH ON HAND

The beginning balance as of March 1 for the Wells Fargo Business Performance Savings Account was \$59,705.68. Interest earned for this month was \$10.14. The March 31, 2010 balance was \$59,715.82.

The beginning balance as of March 1 for the Chase Bank One Checking account was \$40,829.41. The total disbursements from the checking account for March 2010 were \$70,920.19. Deposits and interest were \$40,000.56. As of March 31, 2010, the checking account bank balance was \$40,394.27 and the book balance was \$9,909.78 (with 25 checks outstanding).

The total savings and checking account balances as of March 2010 is \$69,625.60.



TREASURER'S REPORT
Organization of MISO States
March 31, 2010

Wells Fargo Business Performance Savings Account

Balance as of 3/01/10			\$	59,705.68
3/26/10	DEP	Interest on Savings	\$	<u>10.14</u>
Business Performance Savings Account Balance at 3/31/10				<u>\$ 59,715.82</u>

Chase Bank One Commercial Checking with Interest

Balance as of 3/1/10			\$	40,829.41
3/8/10	DEP	MISO Remittance	\$	40,000.00
3/29/10	DEP	Interest on checking	\$	<u>0.56</u>
Total Deposits				\$ 40,000.56

Checks and Charges

Date	Check #	Descriptions		
3/8/2010	3373	100 Court Investors	\$	1,686.42
3/8/2010	3374	WI Travel Reimbursement	\$	269.64
3/8/2010	3375	IA Travel Reimbursement	\$	62.70
3/8/2010	3376	IA Travel Reimbursement	\$	495.88
3/8/2010	3377	ND Travel Reimbursement	\$	204.62
3/8/2010	3378	MT Travel Reimbursement	\$	771.20
3/8/2010	3379	WI Travel Reimbursement	\$	621.20
3/10/2010	WD	Paychex	\$	106.78
3/12/2010	3380	IL Travel Reimbursement	\$	289.42
3/12/2010	3381	IA Travel Reimbursement	\$	491.71
3/12/2010	3382	WI Travel Reimbursement	\$	20.00
3/12/2010	3383	WI Travel Reimbursement	\$	255.00
3/12/2010	3384	WI Travel Reimbursement	\$	270.92
3/12/2010	3385	IA Travel Reimbursement	\$	208.25
3/12/2010	3386	Combined Systems Technology	\$	110.61
3/12/2010	3387	Michigan State University	\$	8,450.00
3/15/2010	WD	Chase Card Services	\$	10,640.98
3/19/2010	3388	IA Travel Reimbursement	\$	372.28
3/19/2010	3389	MN Travel Reimbursement	\$	861.43
3/19/2010	3390	OH Travel Reimbursement	\$	550.40
3/19/2010	3391	WI Travel Reimbursement	\$	608.82
3/19/2010	3392	Qwest	\$	266.74
3/26/2010	3393	Triplett Office Essentials	\$	102.36
3/26/2010	3394	Conference Suite	\$	4,451.18
3/26/2010	3395	DWX Internet	\$	35.00
3/26/2010	3396	IL Travel Reimbursement	\$	1,528.05
3/26/2010	3397	IL Travel Reimbursement	\$	525.80
3/26/2010	3398	IN Travel Reimbursement	\$	690.40
3/26/2010	3399	IN Travel Reimbursement	\$	260.00
3/26/2010	3400	IN Travel Reimbursement	\$	1,599.80

3/26/2010	3401	IA Travel Reimbursement	\$ 296.20
3/26/2010	3402	IA Travel Reimbursement	\$ 1,569.05
3/26/2010	3403	KY Travel Reimbursement	\$ 1,548.17
3/26/2010	3404	MI Travel Reimbursement	\$ 673.74
3/26/2010	3405	MI Travel Reimbursement	\$ 636.89
3/26/2010	3406	MI Travel Reimbursement	\$ 989.49
3/26/2010	3407	MI Travel Reimbursement	\$ 1,292.03
3/26/2010	3408	MO Travel Reimbursement	\$ 685.40
3/26/2010	3409	MO Travel Reimbursement	\$ 1,754.45
3/26/2010	3410	MT Travel Reimbursement	\$ 761.49
3/26/2010	3411	MT Travel Reimbursement	\$ 902.55
3/26/2010	3412	ND Travel Reimbursement	\$ 849.45
3/26/2010	3413	OH Travel Reimbursement	\$ 1,199.11
3/26/2010	3414	PA Travel Reimbursement	\$ 1,105.19
3/26/2010	3415	SD Travel Reimbursement	\$ 169.00
3/26/2010	3416	SD Travel Reimbursement	\$ 621.00
3/26/2010	3417	SD Travel Reimbursement	\$ 367.25
3/26/2010	3418	SD Travel Reimbursement	\$ 777.80
3/26/2010	3419	IA Travel Reimbursement	\$ 273.55
3/31/2010	289	401K Contribution-March	\$ 471.62
3/31/2010	290	401K Contribution-March	\$ 69.46
3/31/2010	291	401K Contribution-March	\$ 2,224.30
3/31/2010	WD	Paychex Payroll	\$ 9,708.88
3/31/2010	WD	Paychex Payroll Taxes	\$ 5,166.53

Total Checks and Charges \$ 70,920.19

CHECKING ACCOUNT BALANCE 3/31/10 \$ 9,909.78

CERTIFICATES OF DEPOSIT, SAVINGS AND CHECKING ACCOUNT BALANCES AS OF 2/28/10 \$ 69,625.60

CHASE CHECKING ACCOUNT RECONCILIATION

	<u>Check #</u>	<u>Amount</u>
Bank Balance 3/31/10		\$ 40,394.27
Less Checks OS		
	3317	\$ 53.02
	3377	\$ 204.62
	3382	\$ 20.00
	3383	\$ 255.00
	3384	\$ 270.92
	3387	\$ 8,450.00
	3391	\$ 608.82
	3394	\$ 4,451.18
	3396	\$ 1,528.05
	3397	\$ 525.80
	3398	\$ 690.40
	3399	\$ 260.00
	3400	\$ 1,599.80
	3401	\$ 296.20
	3404	\$ 673.74
	3405	\$ 636.89
	3406	\$ 989.49
	3407	\$ 1,292.03
	3408	\$ 685.40
	3409	\$ 1,754.45
	3413	\$ 1,199.11
	3414	\$ 1,105.19
	3415	\$ 169.00
	289	\$ 471.62
	290	\$ 69.46
	291	\$ 2,224.30
Book Balance 3/31/10		<u>\$ 9,909.78</u>

OMS Treasurer Report for Month of March 2010

Wells Fargo Business Performance Savings Account

Beginning Balance	59,705.68	
Interest Earned this Month	<u>10.14</u>	
Ending Balance		59,715.82

Chase Bank One Checking Account

Beginning Balance	40,829.41	
Total Disbursements	(70,920.19)	
Deposits/Interest/Adjustments	<u>40,000.56</u>	
Ending Balance		<u>9,909.78</u>

Total Savings & Checking Balances as of March 31, 2010

69,625.60

26 checks outstanding at 3/31/10

OMS

**Organization of MISO States
Report of the Treasurer
Robert Kenney, Missouri Public Service Commission
to the
Board of Directors
May 13, 2010
Report for April 2010**

CASH ON HAND

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The total savings and checking account balances as of April 2010 is \$61,136.66



TREASURER'S REPORT
Organization of MISO States
April 30, 2010

Wells Fargo Business Performance Savings Account

Balance as of 4/01/10			\$	59,715.82
4/26/10	DEP	Interest on Savings	\$	9.25
4/29/10	WD	Transfer to Chase	\$	(30,000.00)
				<hr/>
Business Performance Savings Account Balance at 4/30/10			\$	<u>29,725.07</u>

Chase Bank One Commercial Checking with Interest

Balance as of 4/1/10			\$	9,909.78
4/30/10	DEP	Transfer from Wells Fargo Savings	\$	30,000.00
4/26/10	DEP	MSU refund - Grid School	\$	636.25
4/12/10	DEP	MISO Remittance	\$	40,000.00
4/30/10	DEP	Interest on checking	\$	0.28
				<hr/>
		Total Deposits	\$	70,636.53

Checks and Charges

Date	Check #	Descriptions		
4/6/10	3420	MI Travel Reimbursement	\$	278.28
4/6/10	3421	MI Travel Reimbursement	\$	143.64
4/6/10	3422	IN Travel Reimbursement	\$	689.32
4/6/10	3423	DWX Internet	\$	505.00
4/9/10	3424	MI Travel Reimbursement	\$	111.89
4/9/10	3425	OH Travel Reimbursement	\$	230.00
4/9/10	3426	WI Travel Reimbursement	\$	229.14
4/9/10	3427	WI Travel Reimbursement	\$	497.15
4/9/10	3428	WI Travel Reimbursement	\$	495.37
4/12/10	WD	Paychex Eib	\$	106.78
4/16/10	WD	Chase Card Services	\$	8,425.59
4/19/10	3429	100 Court Investors	\$	1,686.42
4/19/10	3430	QWEST	\$	264.70
4/19/10	3431	PLATTS	\$	2,185.00
4/19/10	3432	IL Travel Reimbursement	\$	41.00
4/19/10	3433	IL Travel Reimbursement	\$	189.79
4/19/10	3434	IA Travel Reimbursement	\$	608.91
4/19/10	3435	IA Travel Reimbursement	\$	225.34
4/19/10	3436	MI Travel Reimbursement	\$	35.88
4/19/10	3437	ND Travel Reimbursement	\$	214.50
4/19/10	3438	SD Travel Reimbursement	\$	198.00
4/19/10	3439	WI Travel Reimbursement	\$	1,300.97
4/19/10	3440	SD Travel Reimbursement	\$	568.40
4/26/10	3441	IA Travel Reimbursement	\$	555.89

4/26/10	3442	MI Travel Reimbursement	\$	324.11
4/26/10	3443	MI Travel Reimbursement	\$	967.08
4/26/10	3444	MI Travel Reimbursement	\$	561.48
4/26/10	3445	MO Travel Reimbursement	\$	609.46
4/26/10	3446	MO Travel Reimbursement	\$	683.10
4/26/10	3447	MO Travel Reimbursement	\$	411.31
4/26/10	3448	MO Travel Reimbursement	\$	722.42
4/26/10	3449	ND Travel Reimbursement	\$	238.65
4/26/10	3450	OH Travel Reimbursement	\$	16.00
4/26/10	3451	WI Travel Reimbursement	\$	245.24
4/26/10	3452	WI Travel Reimbursement	\$	546.13
4/26/10	3453	IA Travel Reimbursement	\$	22.82
4/26/10	3454	IA Travel Reimbursement	\$	268.43
4/26/10	3455	IA Travel Reimbursement	\$	33.54
4/26/10	3456	Conference Suite	\$	4,105.17
4/26/10	3457	DWX Internet	\$	35.00
4/26/10	3458	Doubletree Guest Suites	\$	2,450.56
4/30/10	295	401K Contribution-April	\$	77.96
4/30/10	296	401K Contribution-April	\$	420.05
4/30/10	297	401K Contribution-April	\$	2,224.30
4/30/10	WD	Paychex-Payroll	\$	9,404.06
4/30/10	WD	Paychex-Payroll Taxes	\$	4,980.89

Total Checks and Charges

\$ 49,134.72

CHECKING ACCOUNT BALANCE 4/30/10

\$ 31,411.59

CERTIFICATES OF DEPOSIT, SAVINGS AND CHECKING ACCOUNT BALANCES AS OF 4/30/10

\$ 61,136.66

CHASE CHECKING ACCOUNT RECONCILIATION

	<u>Check #</u>	<u>Amount</u>
Bank Balance 4/30/10		\$ 43,885.40
Less Checks OS		
	3317	\$ 53.02
	295	\$ 77.96
	296	\$ 420.05
	297	\$ 2,224.30
	3424	\$ 111.89
	3433	\$ 189.79
	3437	\$ 214.50
	3438	\$ 198.00
	3439	\$ 1,300.97
	3441	\$ 555.89
	3442	\$ 324.11
	3443	\$ 967.08
	3444	\$ 561.48
	3445	\$ 609.46
	3447	\$ 411.31
	3448	\$ 722.42
	3449	\$ 238.65
	3450	\$ 16.00
	3451	\$ 245.24
	3452	\$ 546.13
	3457	\$ 35.00
	3458	\$ 2,450.56
Book Balance 4/30/10		<u>\$ 31,411.59</u>

OMS Treasurer Report for Month of April 2010

Wells Fargo Business Performance Savings Account

Beginning Balance	59,715.82	
Interest Earned this Month	9.25	
Withdrawals	<u>(30,000.00)</u>	
Ending Balance		29,725.07

Chase Bank One Checking Account

Beginning Balance	9,909.78	
Total Disbursements	(49,134.72)	
Deposits/Interest/Adjustments	<u>70,636.53</u>	
Ending Balance		<u>31,411.59</u>

Total Savings & Checking Balances as of April 30,2010

61,136.66

22 checks outstanding at 4/30/10



Organization of MISO States

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OMS Executive Director Report March – April, 2010

FERC and DOE Activity

1. The Eastern Interconnection States Planning Council met March 25-26 in Washington, D.C. It elected officers and approved bylaws. Representatives of EISPC met with the Topic A parties April 22-23 to work on the composition of the Steering Committee and advance a protocol for the selection of macroeconomic analyses and build-out models.
2. The Midwest ISO filed two complaints with the FERC on March 8 relating to the Market-to-Market error between PJM and MISO ended. (FERC Dockets No. EL10-45 and -46). A third complaint was filed by PJM concerning MISO's proxy flowgate practices. (FERC Docket No. EL10-60).
3. On March 11, the Midwest ISO Transmission Owners filed revisions of the Transmission Owners Agreement. While the proposed revisions are not substantive, responses have suggested revision of the language relating to maximizing transmission revenue. (FERC Docket No. ER10-863).
4. On March 16, the OMS filed comments on the FERC's Notice of Proposed Rulemaking on Credit Reforms in Organized Wholesale Electric Markets (Docket No. RM10-13). The comments were aimed at lowering risk to customers in the market.

OMS-MISO Activity

1. The OMS held additional cost allocation / regional planning (CARP) workshops March 9-10 and March 29-30. On April 21-22 the CARP negotiators adopted a cost allocation proposal, subject to ratification of the votes by April 28. A future meeting is scheduled June 2 in Carmel.

2. Potomac Economics, the Independent Market Monitor for the Midwest ISO, met with OMS commissioners and staff on April 14 for discussion of market conditions.
3. Several OMS directors and staff attended the OPSI Spring Meeting April 7-9 in Charleston, WV.
4. The first activity of the OMS – Black Sea partnership was held May 5-6 in Chişinău, Moldova. Three OMS representatives attended. Plans are beginning for a second activity which would be held in the US in the fall.

Public Relations

1. Presentations:
 - None.
2. Pending speaking/meeting invitations:
 - Bill Smith has been invited to speak to the National Attorneys General Training and Research Institute on Siting and Permitting New Energy Facilities in St. Louis on May 12.

Upcoming MISO Filings of Regional Interest

Filing Date	Docket No.	Description	Pursuant to Commission Order	Working Group/Committee where issue/change will be reviewed
06/01/2010	ER08-394-00_	The Midwest ISO to submit an Informational Report in the Resource Adequacy proceeding to assess the accuracy of the forecasts, the impact of the load forecasts on the adequacy of resources, and whether a more centralized forecasting process would be more appropriate.	125 FERC ¶ 61,060 (2008)	N/A
06/30/2010	ER09-1126-00_	The Independent Market Monitor (“IMM”) to submit an 180-day Informational Report to evaluate the actual operating characteristics of Stored	129 FERC ¶ 61,303 (2009)	N/A

OMS Executive Director Report

May 10, 2010

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		Resources and assess whether the Reference Level continues to be appropriate.		
07/15/2010	ER09-1431-00_	The Midwest ISO to submit a Compliance Filing to fulfill its commitment to file superseding Tariff revisions regarding the RECB Phase II cost allocation methodology on or before July 15, 2010.	129 FERC ¶61,060 (2009)	RECBTF
07/19/2010	ER10-____-000	The Midwest ISO to submit its eTariff Baseline Filing.	Order No. 714	N/A
08/25/2010	ER08-1169-00_	The Midwest ISO to submit an Informational Report on Queue Reform (“Attachment X”) and its developments.	124 FERC ¶61,183 (2008)	N/A

Other upcoming dates:

- OMS regular Board of Directors meeting: **May 13** at 1:00 pm CDT
- OMS regular Board of Directors meeting: **June 10** at 1:00 pm CDT
- OMS Executive Committee meeting: **May 27** at 1:00 pm CST
- OMS Cost Allocation and Regional Planning Meeting:
 - **June 2 (Carmel)**
- Independent Market Monitor call – **May 26** at 2:30 CDT
- Mid America Regulatory Conference – Kansas City – **June 6-9**

Planning Advisory Committee Summary

April 20, 2010

The following are highlights from the April 20, 2010 PAC meeting.

1. ITC Out of Cycle Project Review

MISO requested approval date of August 19, 2010, for out of cycle review of an ITC project. Stakeholders were notified of this project during the first cycle of Sub-regional Planning Meetings held in December. One of the reasons for this approval is that Michigan siting process, by law, cannot begin until MTEP approval is received. The PAC does not have an obligation to review this project. Updates will be provided to the PAC.

OMS does not provide comments on specific projects. However, OMS needs to monitor the out of cycle project review process.

2. Appendix B Qualification Strawman / BPM

Midwest ISO presented Transmission Planning BPM Section 2 3 (II) draft language on Business Practices Manual (BPM) proposal regarding movement of MTEP projects from Appendix C to Appendix B. Midwest ISO believes that the draft is meant to clarify the overall language, specially the portions that discuss the need for the facility. Preliminary comments on this draft were due to Midwest ISO on Friday, May 7th and change motions are due May 20th with a vote targeted for the May 26th PAC meeting.

OMS TPWG met and discussed the language. The WG could not reach a consensus on the draft language change.

The language on Page 2 “Furthermore, additional projects may also be placed into Appendix B to ensure all unmet transmission requirements are satisfied. Typically, these projects will be the solutions that satisfy the unmet requirements in the least cost manner with no scores of Adverse.” OMS Board may want to consider recommending to PAC that the reference to “least cost” be deleted because least cost solutions may not be the best solution when all other benefits are considered.

3. Appendix A Qualification Straw Proposal (Matt Tackett)

Midwest ISO reviewed a comparison of Appendix A to Appendix B, and the proposed concepts for Appendix A inclusion. Analysis behind the proposal and the five step overall methodology was presented by Midwest ISO. A vote on Appendix A inclusion BPM language is targeted for June 23.

This will be voted on at the June 23 PAC meeting. Inclusion criteria for Appendix A projects is an important issue that is on the horizon and needs OMS’s attention and review.

4. MTEP 10

The focus of the current generation siting study is to build production cost models for the ten MTEP 10 future scenarios and the initial models are expected to be complete in the next three weeks.

MTEP Review 1 material is targeted for PAC review on June 23. Review 2 materials and draft report review is targeted for the PAC on August 25, with final review and approval by the Board of Directors in December.

5. Carbon Impacts to the Midwest ISO

This discussion focuses on the challenge to be faced by TOs and states due to RPS mandates in the footprint, and potentially the Waxman-Markey or similar federal legislation. Impacts, mitigation, and the importance of sufficient planning lead time to look at reductions or other changes needed was discussed.

This presentation was also given to the System Planning Committee of the Board of Directors last week; MISO agreed to give the presentation to the Market Subcommittee as well.

Proposal to Clarify the Process for Casting the Votes of the State Regulatory Sector at Midwest ISO Meetings

Governance and Budget Work Group January 8, 2010

I. Midwest ISO Advisory Committee

Article Two, Section VI.A.1 of the Agreement of Transmission Facilities Owners to Organize the Midwest Independent Transmission System Operator, Inc. ("MISO Transmission Owners' Agreement") created the MISO Advisory Committee, and set the membership of that committee. It created nine "stakeholder groups", commonly referred to as sectors. One of the sectors is the state regulatory sector. Section VI.A.1 of the MISO Transmission Owners' Agreement provides that "three (3) representatives of state regulatory authorities" shall be members of the Advisory Committee.

Section VI.A.2.c of the MISO Transmission Owners' Agreement provides that,

The representatives of state regulatory authorities on the Advisory Committee shall be chosen by the state public service commissions which regulate the retail electric or distribution rates of the Owners who are signatories to this Agreement.

Pursuant to Section IV.3 of the OMS Bylaws, the state public service commissions have authorized the Board of Directors of the OMS to "select members to serve on the MISO Advisory Committee."

a. Proportional Voting

The OMS currently has 14 members. Accordingly, each OMS Member is entitled to 3/14 of a vote at the MISO Advisory Committee.

The Advisory Committee permits sectors to cast proportional votes. As such, when the OMS Board of Directors has adopted a clear position on a policy issue or a specific issue that is expected to come up for a vote at the Advisory Committee, the three representatives of the regulatory sector will cast their votes in proportion to the underlying distribution of state regulator positions as expressed by the decisions of the OMS Board of Directors.

For example, if twelve OMS Board members voted "for" a particular position and two voted against, then the state regulatory sector vote at the Advisory Committee would be: $(12) \times (3/14) = 2.571$ "yes" and $(2) \times (3/14) = .4286$ "no." The two positions of the OMS Board—yes and no--would be represented proportionately in the Advisory Committee vote. This could be rounded to the nearest tenth (2.6 "yes" and .4 "no"), or to full, half or quarter votes so that the total does not exceed three.

The OMS Governance and Budget Work Group supports this proposal.

b. Abstentions

Abstentions in votes of the OMS Board could be represented in the Advisory Committee voting. For example, if at the OMS Board level, there were ten “yes” votes, two “no” votes and two “abstain” votes, then the state regulatory sector vote at the Advisory Committee would be: $(10) \times (3/14) = 2.14286$ “yes”, $(2) \times (3/14) = .4286$ “no” and $(2) \times (3/14) = .4286$ “abstain.” The three positions of the OMS Board—yes, no, and abstain--would be represented proportionately in the Advisory Committee vote. This could be rounded to 2.1 “yes” .45 “no” and .45 “abstain,” or to full, half, quarter or tenth votes, as discussed above.

There is no consensus on the OMS Governance and Budget Workgroup on whether or not abstentions should be counted. An argument for counting these votes is that it recognizes abstentions from OMS Board votes and reflects them in Advisory Committee polling. They are often cast for a specific reason. The reason is often procedural, but it may also be substantive. While the MISO Governance Guidelines normalize abstentions for purposes of reporting the “for/against” percentage split at the Advisory Committee, the abstentions are still reported and recorded.

Conversely, since abstentions usually are not driven by the substance of the question, and are not reflected in the Advisory Committee’s results, there may be no compelling reason to count them in the OMS vote. In addition, abstentions needed to accommodate commission decision-making requirements (the more common occurring version) should be minimized with the recent bylaw changes allowing for extended voting periods.

As an alternative, the burden could be put on the state that wants its abstention reflected to the Advisory Committee to so indicate when the question is considered by the OMS.

c. Absences

Absences from the OMS Board vote could be distributed equally over the positions of the OMS Board. For example, if there are two absences from the OMS Board vote, but the rest of the members are unanimous in support of a particular position, then the vote at the Advisory Committee would be unanimously in favor. Mathematically, the absences would be spread over the single OMS yes position. Since $12 + 2 = 14$, the Advisory Committee vote would be cast as $(14) \times (3/14) = 3$ yes.

Similarly, if the OMS Board split with a majority of the members in favor of a particular position but some members opposed, then the absences would be spread evenly over the two positions, “yes” and “no”. For example, if ten OMS members voted “yes” and two voted “no” and two were absent from the vote, the two absences would be distributed equally across the two positions (yes and no) for purposes of Advisory

Committee representation as follows: $(11) \times (3/14) = 2.35714$ “yes” and $(3) \times (3/14) = .64286$ “no.” This could be rounded to 2.4 “yes” and .6 “no.”

If there are three OMS Board positions—yes, no, and abstain, the absences from the OMS Board vote would be spread evenly over the three positions for purposes of Advisory Committee representation. For example, at the OMS Board vote, 12 members were present and two were absent. The vote tally on the issue decision therefore might be eight “yes”, two “no”, two “abstain”, and two “absent.” In this case, we would need to distribute the two absences over three Board positions—yes, no, and abstain. In such a case, the two “absent” votes would be distributed equally over the three positions of the OMS Board. Since 2 absences divided by 3 positions equals .667, then for purposes of Advisory Committee representation, .667 would be added to each of the three OMS Board positions. Accordingly, the state regulatory sector vote at the Advisory Committee would be cast as follows: $(8.667) \times (3/14) = 1.857$ “yes”, $(2.667) \times (3/14) = .5715$ “no” and $(2.667) \times (3/14) = .5715$ “abstain.” This could be rounded to 2 “yes” and .5 “no” and .5 “abstain.”

There is no consensus on the OMS Governance and Budget Workgroup on whether or not absences should be counted. In support of the proposal is that it ensures that none of the regulatory sector’s weight at the Advisory Committee is thrown away or not utilized just because some OMS Board members may have been absent from OMS Board meetings.

Conversely, spreading the absences “equally” will always weight the minority position proportionately more than the majority position. Spreading the absences in proportion to the “weighted” positions would yield a more accurate result. From a practical standpoint, the final Advisory Committee vote tally would not be affected using either method, and may not be worth the effort. In addition, absences, like abstentions, should be reduced with the recent bylaw changes allowing for extended voting periods.

II. Other Midwest ISO Representational Committees

The OMS Governance and Budget Work Group recommends that voting at other Midwest ISO representational committees (i.e. the Planning Advisory Committee)¹ on behalf of the state regulatory sector be conducted in the same way as voting at the Advisory Committee.

III. The Votes in Midwest ISO Forums Could be Cast as Those of the “State Regulatory Sector”

The votes cast in Midwest ISO forums to represent the state regulatory sector could specifically be cast as those of the “state regulatory sector,” rather than as votes of the

¹ Section II of Appendix B of the MISO Transmission Owners states that, “There is hereby created a Planning Advisory Committee consisting of one (1) representative from each of the constituent groups represented on the Advisory Committee established pursuant to Article Two, Section VI, Paragraph A of the Agreement.

“OMS.” The reason for this is two-fold. First, the MISO Transmission Owners’ Agreement specified a “state regulatory authorities” sector, not an OMS sector. OMS is an entity created to facilitate the coordination of policy by its member state commissions. OMS is merely the agent for its members. In this case, it is the vehicle by which the state commissions chose to decide how to cast their three Advisory Committee votes, given that there are fourteen state regulatory agencies to be represented. Second, describing the decision of the state regulators as the decision of the OMS could be misleading because the OMS Bylaws allow associate membership in OMS of agencies other than state commissions. Some of the same agencies that are associate members of OMS are represented at the MISO Advisory Committee with their own sector. For example, “public consumer groups” have their own sector with voting rights on the Advisory Committee. Specifying the positions of the state commissions as the positions of the “state regulatory sector” could avoid potential confusion over who is being represented in Advisory Committee votes.

There is no consensus on the OMS Governance and Budget Workgroup on this issue. It is accurate to say that the Advisory Committee votes are cast on behalf of state regulatory authorities; that is how members usually answer the roll call.

Conversely, it is unlikely that there is any confusion in the “OMS” shorthand. Other sectors coordinate their participation in similar groupings. Associate members do not vote in OMS, so the fact that they have their own sector doesn’t break the identity of OMS and the “state regulatory authorities”.

Vote at OMS Board Meeting

Table 1		Table 2		Table 3	
(Rounded to Three decimal places)		(Rounded to Two decimal places)		(Rounded to One decimal place)	
Yes	No	Yes	No	Yes	No
13/14 = 0.929	1/14 = 0.071	13/14 = 0.93	1/14 = 0.07	13/14 = 0.9	1/14 = 0.1
12/14 = 0.857	2/14 = 0.143	12/14 = 0.86	2/14 = 0.14	12/14 = 0.9	2/14 = 0.1
11/14 = 0.786	3/14 = 0.214	11/14 = 0.79	3/14 = 0.21	11/14 = 0.8	3/14 = 0.2
10/14 = 0.714	4/14 = 0.286	10/14 = 0.71	4/14 = 0.29	10/14 = 0.7	4/14 = 0.3
9/14 = 0.643	5/14 = 0.357	9/14 = 0.64	5/14 = 0.36	9/14 = 0.6	5/14 = 0.4
8/14 = 0.571	6/14 = 0.429	8/14 = 0.57	6/14 = 0.43	8/14 = 0.6	6/14 = 0.4

State Regulatory Sector Vote at AC Meeting

Table 1 (Rounded to Three decimal places)		Table 1 (Rounded to Two decimal places)		Table 1 (Rounded to One decimal place)		Table 1 (Rounded to a quarter)		Table 1 (Rounded to a half)		Table 1 (Rounded to a whole)	
Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
(13/14) x 3 = 2.787	(1/14) x 3 = 0.213	(13/14) x 3 = 2.79	(1/14) x 3 = 0.21	(13/14) x 3 = 2.8	(1/14) x 3 = 0.2	(13/14) x 3 = 2.75	(1/14) x 3 = 0.25	(13/14) x 3 = 3	(1/14) x 3 = 0	(13/14) x 3 = 3	(1/14) x 3 = 0
(12/14) x 3 = 2.571	(2/14) x 3 = 0.429	(12/14) x 3 = 2.57	(2/14) x 3 = 0.43	(12/14) x 3 = 2.6	(2/14) x 3 = 0.4	(12/14) x 3 = 2.5	(2/14) x 3 = 0.5	(12/14) x 3 = 2.5	(2/14) x 3 = 0.5	(12/14) x 3 = 3	(2/14) x 3 = 0
(11/14) x 3 = 2.358	(3/14) x 3 = 0.642	(11/14) x 3 = 2.36	(3/14) x 3 = 0.64	(11/14) x 3 = 2.4	(3/14) x 3 = 0.6	(11/14) x 3 = 2.25	(3/14) x 3 = 0.75	(11/14) x 3 = 2.5	(3/14) x 3 = 0.5	(11/14) x 3 = 2	(3/14) x 3 = 1
(10/14) x 3 = 2.142	(4/14) x 3 = 0.858	(10/14) x 3 = 2.14	(4/14) x 3 = 0.86	(10/14) x 3 = 2.1	(4/14) x 3 = 0.9	(10/14) x 3 = 2.25	(4/14) x 3 = 0.75	(10/14) x 3 = 2	(4/14) x 3 = 1	(10/14) x 3 = 2	(4/14) x 3 = 1
(9/14) x 3 = 1.929	(5/14) x 3 = 1.071	(9/14) x 3 = 1.93	(5/14) x 3 = 1.07	(9/14) x 3 = 1.9	(5/14) x 3 = 1.1	(9/14) x 3 = 2	(5/14) x 3 = 1	(9/14) x 3 = 2	(5/14) x 3 = 1	(9/14) x 3 = 2	(5/14) x 3 = 1
(8/14) x 3 = 1.713	(6/14) x 3 = 1.287	(8/14) x 3 = 1.71	(6/14) x 3 = 1.29	(8/14) x 3 = 1.7	(6/14) x 3 = 1.3	(8/14) x 3 = 1.75	(6/14) x 3 = 1.25	(8/14) x 3 = 1.5	(6/14) x 3 = 1.5	(8/14) x 3 = 2	(6/14) x 3 = 1

Table 2 (Rounded to Two decimal places)		Table 2 (Rounded to One decimal place)		Table 2 (Rounded to a quarter)		Table 2 (Rounded to a half)		Table 2 (Rounded to a whole)	
Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
(13/14) x 3 = 2.79	(1/14) x 3 = 0.21	(13/14) x 3 = 2.8	(1/14) x 3 = 0.2	(13/14) x 3 = 2.75	(1/14) x 3 = 0.25	(13/14) x 3 = 3	(1/14) x 3 = 0	(13/14) x 3 = 3	(1/14) x 3 = 0
(12/14) x 3 = 2.58	(2/14) x 3 = 0.42	(12/14) x 3 = 2.6	(2/14) x 3 = 0.4	(12/14) x 3 = 2.5	(2/14) x 3 = 0.5	(12/14) x 3 = 2.5	(2/14) x 3 = 0.5	(12/14) x 3 = 3	(2/14) x 3 = 0
(11/14) x 3 = 2.37	(3/14) x 3 = 0.63	(11/14) x 3 = 2.4	(3/14) x 3 = 0.6	(11/14) x 3 = 2.25	(3/14) x 3 = 0.75	(11/14) x 3 = 2.5	(3/14) x 3 = 0.5	(11/14) x 3 = 2	(3/14) x 3 = 1
(10/14) x 3 = 2.13	(4/14) x 3 = 0.87	(10/14) x 3 = 2.1	(4/14) x 3 = 0.9	(10/14) x 3 = 2.25	(4/14) x 3 = 0.75	(10/14) x 3 = 2	(4/14) x 3 = 1	(10/14) x 3 = 2	(4/14) x 3 = 1
(9/14) x 3 = 1.92	(5/14) x 3 = 1.08	(9/14) x 3 = 1.9	(5/14) x 3 = 1.1	(9/14) x 3 = 2	(5/14) x 3 = 1	(9/14) x 3 = 2	(5/14) x 3 = 1	(9/14) x 3 = 2	(5/14) x 3 = 1
(8/14) x 3 = 1.71	(6/14) x 3 = 1.29	(8/14) x 3 = 1.7	(6/14) x 3 = 1.3	(8/14) x 3 = 1.75	(6/14) x 3 = 1.25	(8/14) x 3 = 1.5	(6/14) x 3 = 1.5	(8/14) x 3 = 2	(6/14) x 3 = 1

Table 3 (Rounded to One decimal place)		Table 3 (Rounded to a quarter)		Table 3 (Rounded to a half)		Table 3 (Rounded to a whole)	
Yes	No	Yes	No	Yes	No	Yes	No
(13/14) x 3 = 2.7	(1/14) x 3 = 0.3	(13/14) x 3 = 2.75	(1/14) x 3 = 0.25	(13/14) x 3 = 2.5	(1/14) x 3 = 0.5	(13/14) x 3 = 3	(1/14) x 3 = 0
(12/14) x 3 = 2.7	(2/14) x 3 = 0.3	(12/14) x 3 = 2.75	(2/14) x 3 = 0.25	(12/14) x 3 = 2.5	(2/14) x 3 = 0.5	(12/14) x 3 = 3	(2/14) x 3 = 0
(11/14) x 3 = 2.4	(3/14) x 3 = 0.6	(11/14) x 3 = 2.5	(3/14) x 3 = 0.5	(11/14) x 3 = 2.5	(3/14) x 3 = 0.5	(11/14) x 3 = 2	(3/14) x 3 = 1
(10/14) x 3 = 2.1	(4/14) x 3 = 0.9	(10/14) x 3 = 2	(4/14) x 3 = 1	(10/14) x 3 = 2	(4/14) x 3 = 1	(10/14) x 3 = 2	(4/14) x 3 = 1
(9/14) x 3 = 1.8	(5/14) x 3 = 1.2	(9/14) x 3 = 1.75	(5/14) x 3 = 1.25	(9/14) x 3 = 2	(5/14) x 3 = 1	(9/14) x 3 = 2	(5/14) x 3 = 1
(8/14) x 3 = 1.8	(6/14) x 3 = 1.2	(8/14) x 3 = 1.75	(6/14) x 3 = 1.25	(8/14) x 3 = 2	(6/14) x 3 = 1	(8/14) x 3 = 2	(6/14) x 3 = 1

Vote at OMS Board Meeting

Table 1		Table 2		Table 3	
(Rounded to Three decimal places)		(Rounded to Two decimal places)		(Rounded to One decimal place)	
Yes	No	Yes	No	Yes	No
12/13 = 0.923	1/13 = 0.077	12/13 = 0.92	1/13 = 0.08	12/13 = 0.9	1/13 = 0.1
11/13 = 0.846	2/13 = 0.154	11/13 = 0.85	2/13 = 0.15	11/13 = 0.8	2/13 = 0.2
10/13 = 0.769	3/13 = 0.231	10/13 = 0.77	3/13 = 0.23	10/13 = 0.8	3/13 = 0.2
9/13 = 0.692	4/13 = 0.308	9/13 = 0.69	4/13 = 0.31	9/13 = 0.7	4/13 = 0.3
8/13 = 0.615	5/13 = 0.385	8/13 = 0.62	5/13 = 0.38	8/13 = 0.6	5/13 = 0.4
7/13 = 0.538	6/13 = 0.462	7/13 = 0.54	6/13 = 0.46	7/13 = 0.5	6/13 = 0.5

State Regulatory Sector Vote at AC Meeting

Table 1 (Rounded to Three decimal places)		Table 1 (Rounded to Two decimal places)		Table 1 (Rounded to One decimal place)		Table 1 (Rounded to a quarter)		Table 1 (Rounded to a half)		Table 1 (Rounded to a whole)	
Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
(12/13) x 3 = 2.769	(1/13) x 3 = 0.231	(12/13) x 3 = 2.77	(1/13) x 3 = 0.23	(12/13) x 3 = 2.8	(1/13) x 3 = 0.2	(12/13) x 3 = 2.75	(1/13) x 3 = 0.25	(12/13) x 3 = 3	(1/13) x 3 = 0	(12/13) x 3 = 3	(1/13) x 3 = 0
(11/13) x 3 = 2.538	(2/13) x 3 = 0.462	(11/13) x 3 = 2.54	(2/13) x 3 = 0.46	(11/13) x 3 = 2.5	(2/13) x 3 = 0.5	(11/13) x 3 = 2.5	(2/13) x 3 = 0.5	(11/13) x 3 = 2.5	(2/13) x 3 = 0.5	(11/13) x 3 = 3	(2/13) x 3 = 0
(10/13) x 3 = 2.307	(3/13) x 3 = 0.693	(10/13) x 3 = 2.31	(3/13) x 3 = 0.69	(10/13) x 3 = 2.3	(3/13) x 3 = 0.7	(10/13) x 3 = 2.25	(3/13) x 3 = 0.75	(10/13) x 3 = 2.5	(3/13) x 3 = 0.5	(10/13) x 3 = 2	(3/13) x 3 = 1
(9/13) x 3 = 2.076	(4/13) x 3 = 0.924	(9/13) x 3 = 2.08	(4/13) x 3 = 0.92	(9/13) x 3 = 2.1	(4/13) x 3 = 0.9	(9/13) x 3 = 2	(4/13) x 3 = 1	(9/13) x 3 = 2	(4/13) x 3 = 1	(9/13) x 3 = 2	(4/13) x 3 = 1
(8/13) x 3 = 1.845	(5/13) x 3 = 1.155	(8/13) x 3 = 1.85	(5/13) x 3 = 1.16	(8/13) x 3 = 1.8	(5/13) x 3 = 1.2	(8/13) x 3 = 1.75	(5/13) x 3 = 1.25	(8/13) x 3 = 2	(5/13) x 3 = 1	(8/13) x 3 = 2	(5/13) x 3 = 1
(7/13) x 3 = 1.614	(6/13) x 3 = 1.386	(7/13) x 3 = 1.61	(6/13) x 3 = 1.39	(7/13) x 3 = 1.6	(6/13) x 3 = 1.4	(7/13) x 3 = 1.5	(6/13) x 3 = 1.5	(7/13) x 3 = 1.5	(6/13) x 3 = 1.5	(7/13) x 3 = 2	(6/13) x 3 = 1

Table 2 (Rounded to Two decimal places)		Table 2 (Rounded to One decimal place)		Table 2 (Rounded to a quarter)		Table 2 (Rounded to a half)		Table 2 (Rounded to a whole)	
Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
(13/14) x 3 = 2.76	(1/14) x 3 = 0.24	(12/13) x 3 = 2.8	(1/13) x 3 = 0.2	(12/13) x 3 = 2.75	(1/13) x 3 = 0.25	(12/13) x 3 = 3	(1/13) x 3 = 0	(12/13) x 3 = 3	(1/13) x 3 = 0
(12/14) x 3 = 2.55	(2/14) x 3 = 0.45	(11/13) x 3 = 2.6	(2/13) x 3 = 0.5	(11/13) x 3 = 2.5	(2/13) x 3 = 0.5	(11/13) x 3 = 2.5	(2/13) x 3 = 0.5	(11/13) x 3 = 3	(2/13) x 3 = 0
(11/14) x 3 = 2.31	(3/14) x 3 = 0.69	(10/13) x 3 = 2.3	(3/13) x 3 = 0.7	(10/13) x 3 = 2.25	(3/13) x 3 = 0.75	(10/13) x 3 = 2.5	(3/13) x 3 = 0.5	(10/13) x 3 = 2	(3/13) x 3 = 1
(10/14) x 3 = 2.07	(4/14) x 3 = 0.93	(9/13) x 3 = 2.1	(4/13) x 3 = 0.9	(9/13) x 3 = 2	(4/13) x 3 = 1	(9/13) x 3 = 2	(4/13) x 3 = 1	(9/13) x 3 = 2	(4/13) x 3 = 1
(9/14) x 3 = 1.86	(5/14) x 3 = 1.14	(8/13) x 3 = 1.9	(5/13) x 3 = 1.1	(8/13) x 3 = 1.75	(5/13) x 3 = 1.25	(8/13) x 3 = 2	(5/13) x 3 = 1	(8/13) x 3 = 2	(5/13) x 3 = 1
(8/14) x 3 = 1.62	(6/14) x 3 = 1.38	(7/13) x 3 = 1.6	(6/13) x 3 = 1.4	(7/13) x 3 = 1.5	(6/13) x 3 = 1.5	(7/13) x 3 = 1.5	(6/13) x 3 = 1.5	(7/13) x 3 = 2	(6/13) x 3 = 1

Table 3 (Rounded to One decimal place)		Table 3 (Rounded to a quarter)		Table 3 (Rounded to a half)		Table 3 (Rounded to a whole)	
Yes	No	Yes	No	Yes	No	Yes	No
(12/13) x 3 = 2.7	(1/13) x 3 = 0.3	(12/13) x 3 = 2.75	(1/13) x 3 = 0.25	(12/13) x 3 = 2.5	(1/13) x 3 = 0.5	(12/13) x 3 = 3	(1/13) x 3 = 0
(11/13) x 3 = 2.4	(2/13) x 3 = 0.6	(11/13) x 3 = 2.5	(2/13) x 3 = 0.5	(11/13) x 3 = 2.5	(2/13) x 3 = 0.5	(11/13) x 3 = 2	(2/13) x 3 = 1
(10/13) x 3 = 2.4	(3/13) x 3 = 0.6	(10/13) x 3 = 2.5	(3/13) x 3 = 0.5	(10/13) x 3 = 2.5	(3/13) x 3 = 0.5	(10/13) x 3 = 2	(3/13) x 3 = 1
(9/13) x 3 = 2.1	(4/13) x 3 = 0.9	(9/13) x 3 = 2	(4/13) x 3 = 1	(9/13) x 3 = 2	(4/13) x 3 = 1	(9/13) x 3 = 2	(4/13) x 3 = 1
(8/13) x 3 = 1.8	(5/13) x 3 = 1.2	(8/13) x 3 = 1.75	(5/13) x 3 = 1.25	(8/13) x 3 = 2	(5/13) x 3 = 1	(8/13) x 3 = 2	(5/13) x 3 = 1
(7/13) x 3 = 1.5	(6/13) x 3 = 1.5	(7/13) x 3 = 1.5	(7/13) x 3 = 1.5	(7/13) x 3 = 1.5	(7/13) x 3 = 1.5	(7/13) x 3 = 2	(6/13) x 3 = 2

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Demand Response Compensation in)
Organized Wholesale Energy Markets)

Docket No. RM10-17-000

Comments of the Organization of MISO States

I. Background

On March 18, 2010, the Federal Energy Regulatory Commission (Commission) issued a Notice of Proposed Rulemaking in the above captioned docket. The purpose of the proposed rule is to establish a requirement that RTOs “must pay demand response resources, in all hours, the market price for energy, i.e. full LMP, for demand reductions made in response to price signals.”¹

II. Comments

A. The Organization of MISO States Continues to Support its Position that the Correct Compensation to ARCs for Retail Load Reductions is LMP – Retail Rate.

On October 2, 2009, the Midwest ISO made a compliance filing in Docket No. ER09-1049-002. The filing contained proposed tariff revisions which have the objective of accommodating the participation of Aggregators of Retail Customers (ARCs) in Midwest ISO markets. In that filing, the Midwest ISO proposed: (1) To compensate ARCs by subtracting the retail rate paid by participating retail customers from the LMP, and (2) To directly assign the costs of payments made by the Midwest ISO to ARCs to the Load Serving Entity (LSE) that provides retail service to the participating retail customer.

¹ Notice of Proposed Rulemaking, 130 FERC ¶61,213 at P 11 (footnote omitted).

The Organization of MISO States (“OMS”)² submitted Comments to the Commission in support of that filing, in particular in support of the proposed compensation mechanism.³ The OMS continues to support the compensation formula (LMP – Retail Rate) and the direct assignment of costs of payments made to ARC as is being proposed by the Midwest ISO. The OMS urges the Commission to consider these two issues in tandem, rather than focusing on ARC compensation in isolation.

B. Payment of the full LMP to ARCs as Proposed by the Commission Would Result in a “Distortionary Subsidy” to ARCs and Participating Retail Customers.

The economics of demand response from the perspective of wholesale markets are relatively simple. LMPs in organized wholesale market are based on marginal costs whereas retail rates are typically fixed and based on average costs. At certain times, retail rates are lower than LMPs. Depending on each individual customer’s elasticity of demand, some customers would likely curtail certain uses of electricity during these time periods if they faced the higher wholesale LMP rather than the lower retail rate. Therefore, retail customer consumption decisions are “inefficient” during these hours. This is especially a concern during periods when LMPs are relatively high and the differential between LMPs and retail rates is significant.

The policy objective of accommodating ARC participation in wholesale markets is to provide a window to wholesale market LMPs for retail customers. This allows retail customers to make consumption decisions during these hours based on the higher wholesale market LMPs rather than the lower retail rates.

² The OMS is a non-profit, self-governing organization of representatives from each state with regulatory jurisdiction over entities participating in the Midwest ISO. The purpose of the OMS is to coordinate regulatory oversight among the states; to make recommendations to the Midwest ISO, the Midwest ISO Board of Directors, the Commission, other relevant government entities and state commissions as appropriate; and to intervene in proceedings before the Commission to express the positions of the OMS member agencies.

³ Comments of the Organization of MISO States, Docket ER09-1049-002, November 5, 2009.

An “efficient” payment to the retail customer is the amount necessary to provide sufficient incentive for customers to make consumption decisions as if they were facing the wholesale rate and thus not to exercise their option to purchase at the lower retail rate. The question at hand becomes: How much does the retail rate have to be increased so that retail customers behave as if they are facing the wholesale LMP? Because the retail customer is already facing the retail rate, the efficient payment is represented by the difference between the LMP and the retail rate.

The payment of any amount in excess of this difference to the ARC, such as the full LMP, would result in a “distortionary subsidy” to the retail customer and the ARC. The concept that the payment of the full LMP to ARC’s is inefficient and would result in market distortions is well-known has been discussed in various reports and in comments to the Commission in other proceedings.⁴ The payment of the full LMP distorts consumer behavior and would result in inefficient decisions to curtail load. In addition, the subsidy would have to be recovered from non-participating customers. It is clear that the proposed rule would replace one inefficient price signal with a different inefficient price signal and would result in a subsidy to ARCs and participating customers.

If the Commission were to adopt the proposed rule, state commissions and LSEs could correct this distorted price signal by revising retail tariffs for customers that do business with ARCs in order to charge the retail rate to participating customers for energy which was not consumed or metered as a result of load reductions. However, these tariff revisions could be complex, time consuming and could possibly involve legal issues – namely, billing retail

⁴ See for example, “Fostering Economic Demand Response in the Midwest ISO,” The Brattle Group, December 30, 2008, at page 31; Motion for Leave to Answer and Answer of the Electric Power Supply Association and White Paper by Professor William W. Hogan, Docket No. EL09-68-000, October 30, 2009; Motion to Intervene and Protest of Robert L. Borlick Opposing PJMs Proposed Tariff Changes, Docket No, EL09-68-000, September 16, 2009.

customers for energy which they have not consumed and which was not metered. LSEs would be forced to develop and implement billing mechanisms for participating retail customers in order to accommodate billing information from outside of their normal metering and data acquisition systems from the RTO's Measurement and Verification system. Ironically, state commissions would be faced with the task of revising retail rate structures in order to correct a price distortion created by a wholesale market pricing mechanism which was intended to improve price signals.

The simpler mechanism is the one proposed by the Midwest ISO which uses the RTO's settlement system to combine these two pieces into the compensation formula by subtracting the retail rate from the LMP when it makes payments to ARCs.

The review of a policy issue currently facing the state commissions and LSE may be useful to the Commission to help it understand the practical shortcomings of the proposed rule. Many state commissions and LSEs are presently evaluating the installation of smart meters. One of the objectives of smart meters is the provision of better price signals to retail customers that more accurately reflect wholesale market prices. Let us suppose that a state commission approves the installation of smart meters for its large commercial and industrial customers and establishes a retail rate structure which has hourly variable energy charges equal to the wholesale market LMP. If such a rate structure were to be implemented, the differential between the wholesale market LMP and the retail rate would vanish as would the need for ARCs to bridge this price difference. However, under the proposed rule, an ARC would still find it profitable to sell load reductions from these customers into the wholesale market, even though the retail rate is exactly equal to the LMP and these customers are already receiving the "correct" price signal and are making efficient decisions concerning their consumption of electricity. The efficiency

gains expected of the investment in smart meters based on the ability to provide more complex retail pricing structures that more closely follow wholesale LMPs would be diminished by the resultant subsidy to ARCs and participating customers. An efficient retail price signal made possible by smart metering technology would be replaced with an inefficient price signal in the wholesale market.

The example discussed above shows that the need for ARCs may be temporary, as there will be increasing amounts of customers on real-time rates or rates that more closely follow wholesale prices. Indeed, this year both the Midwest ISO and the PJM Interconnection are developing methods for incorporating Price Responsive Demand (PRD) into their markets. Once LSEs are able to take advantage of these PRD elements in wholesale markets, the opportunities for ARCs are likely to diminish.

C. Compensation for Demand Response Resources Must be Considered in Conjunction with the Recovery of the Cost of Payments made by RTOs to ARCs.

Retail rate schedules provide an option to customers to purchase electricity at the retail rate. Depending on the retail rate and the value of the intended use of the electricity, customers choose to exercise this option or not to exercise the option. ARCs provide a payment to the participating customers to give them an incentive not to exercise this option. No energy changes hands and no additional energy is produced.

The RTO is not indifferent to this transaction. This is because the RTO must be revenue neutral in its daily settlements and it must now make a payment to the ARC while the RTO's other costs and revenues remain the same. Therefore, the RTO must have a source for this payment.

There are two potential sources. One is to socialize the cost of the payment across the RTO as an uplift charge to all LSEs. The second is to directly assign the cost to the LSE that provides service to the participating retail customers.

In its proposal to integrate ARCs into its energy markets, the Midwest ISO proposed to directly assign the cost of this payment to the LSE which provides retail service to each participating customer. OMS supports the direct assignment of these costs as proposed by the Midwest ISO. Direct assignment of the cost of this payment is appropriate as the arbitrage opportunities available to ARCs only arise due to differences between an individual LSE's retail rates and wholesale market LMPs. Direct assignment of these costs will create an incentive for individual LSEs to more closely align their retail rates with wholesale market LMPs.

If the cost of this payment is directly assigned, an LSE will face the same costs in the wholesale energy market whether or not its retail customers that participate with an ARC consume MWhs or provide these MWhs as load reductions to the ARC. Either way, the LSE pays for those MWhs. However, if its retail customers provide load reductions to an ARC, the LSE's metered retail energy sales go down, and its retail revenue goes down. The LSE has a reduction in retail revenue but its wholesale market costs remain the same. The LSE is no longer indifferent to the participation of its retail customers with an ARC. Subtracting the retail rate from the LMP effectively restores these lost retail revenues to the LSE and makes the LSE indifferent as to whether its customers consume electricity at the retail rate or provide a load reduction to the ARC.

If the amount of lost retail revenue was guaranteed to be small, LSEs and the State Commissions might be willing to absorb the loss. However, the Commission is definitely advocating a bigger role for ARCs in its orders and in its Strategic Plan. Expectations are that

demand response will be playing a bigger role in organized energy markets in the future. LSEs and State Commissions are more likely to support the provision of demand response by ARCs in the RTO markets if non-participating customers do not have to bear additional costs as a result.

The OMS does not support the uplift of the costs of payments to ARCs. This would penalize states and LSEs which have implemented and or are planning to implement improved and innovative retail rate structures using smart metering technology.

D. Adoption of the Proposed Rule would Encourage State Commissions to Opt Out of RTO Demand Response Programs.

As the Commission is aware, numerous state commission members of the OMS have issued orders either prohibiting or placing restrictions on the operation of ARCs in their states. The OMS will let these orders speak on their own. However, it should be clear to the Commission that state commissions and LSEs have significant concerns that the potential costs for non-participating customers may exceed the benefits that ARCs can provide to their states and to participating customers. State commissions will have a significant disincentive to support the participation of ARCs in RTO energy markets and in their states if the proposed rule is adopted.

In Order 719-A, the Commission clarified that it was not challenging “the role of states and others to decide the eligibility of retail customers to provide demand response.”⁵ The Commission also stated that “we leave it to the appropriate state or local authorities to set and enforce their own requirements.”⁶ In the Commission’s order in Docket No. ER09-701-000 / ER09-701-001, which involved proposed tariffs of the PJM Interconnection and (in part) whether state authorities could condition eligibility in an RTO’s demand response programs, the Commission reiterated that “Order No. 719-A thus clarified that relevant retail authorities retain

⁵ Order 719-A, 128 FERC ¶ 61,059, P 49.

⁶ Id. P 54

substantial flexibility in establishing requirements for eligibility of retail customers to provide demand response.”⁷ As stated earlier in these comments, any requirement by the Commission for RTOs to compensate demand response resources at full LMP is likely to lead state and local regulatory authorities to condition eligibility for demand response participation by ARCs in their states such that ARCs and participating customers do not receive a payment equal to the full LMP. In this sense, then, due to the alignment of wholesale and retail jurisdictions in this matter, whatever payment the Commission requires in an organized wholesale market can be modified by the relevant retail regulatory authorities.

However, there is an easier fix. Compensation mechanisms such as the one proposed by the Midwest ISO resolve the issues associated with lost retail revenues for LSEs, eliminates State Commission legal concerns about the revision of retail rate schedules and billing retail customers for energy which is not metered or consumed, and results in an efficient price signal for ARCs and retail customers that are offering load reductions into RTO energy markets. The Commission should not adopt a rule which would preclude the approval of such a compensation mechanism by RTOs.

OMS understands that some state commissions may wish to provide an additional incentive for ARCs to operate in their states through the payment of the full LMP. OMS is not opposed to such incentives if it is done on a voluntary basis on a state by state basis, and if the costs of the incentive are directly assigned to retail customers within those individual states.

III. Conclusion

In its recently released Strategic Plan, the Commission established a goal of eliminating barriers to participation by demand resources in organized wholesale retail markets. The OMS

⁷ PJM Interconnection, LLC, 128 FERC ¶ 61,238, P 22.

supports this objective. Third-party ARCs will likely play a large role in implementing demand response resources because of their ability to achieve economies of scale, implement new technology and provide demand response services to customers that take retail electric service from multiple LSEs. ARCs can also provide a competitive check on LSEs in the provision of demand response to customers. However, the Commission must remain cognizant that the vast majority of demand response programs have been and will likely continue to be developed and implemented by LSEs under the auspices of the State Commissions.

Implementing market structures that allow for the participation of ARCs should not include the establishment of inefficient price signals which distort demand response behavior and result in a cost burden on other customers. Further, State Commissions and LSEs should not be forced to make expensive and complex changes to retail tariffs and billing systems in order to accommodate the participation of ARCs. This would likely result in State Commissions either taking action to “opt-out” or declining to “opt-in” under the provisions approved in Order 719-A.

For these reasons, the OMS urges the Commission not to adopt the proposed rule.

The OMS submits these comments because a majority of the members have agreed to generally support them. Individual OMS members reserve the right to file separate comments.

Respectfully Submitted,

William H. Smith, Jr.
William H. Smith, Jr.
Executive Director
Organization of MISO States
100 Court Avenue, Suite 315
Des Moines, Iowa 50309
Tel: 515-243-0742

Dated: May 13, 2010

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Southwest Power Pool, Inc.

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Docket No: ER10-1069-000

NOTICE OF INTERVENTION OF THE ORGANIZATION OF MISO STATES

I. BACKGROUND

On April 19, 2010, the Southwest Power Pool, Inc. (“SPP”) filed proposed tariff revisions pursuant to Section 205 of the Power Act, proposing a “highway/Byway” approach to allocation of the costs of new transmission facilities. The Commission has set a comment date of May 17, 2010. Because of the importance of the issues presented by this filing to state regulatory authorities beyond the region of the SPP, the Organization of MISO States (“OMS”) gives notice of its intervention and requests the Commission to give consideration to this filing with recognition that a similar filing is expected from the Midwest ISO on or about July 15, 2010.¹

II. NOTICE OF INTERVENTION

Pursuant to Rule 214(a)(2) of the Federal Energy Regulatory Commission’s Rules of Practice and Procedure, 18 C.F.R. § 385.214(a)(2), the OMS files its Notice of Intervention in this proceeding. Service of pleadings, documents, and communications should be made on the following:

William H. Smith, Jr.
Executive Director
Organization of MISO States
100 Court Avenue, Suite 315
Des Moines, Iowa 50309

III. CONSIDERATION CONSISTENT WITH MIDWEST ISO FILING

The OMS is a regional state committee whose members are the fourteen state and provincial regulatory authorities within the Midwest ISO footprint. The OMS, through its Cost Allocation and Regional Planning Task Force (“CARP”) has made extensive recommendations

to the Midwest ISO concerning the elements of the cost allocation filing the Midwest ISO is required to make by July 15, 2010, pursuant to Commission direction in Docket No. ER09-1431. The degree to which the Midwest ISO filing will reflect the OMS CARP recommendations cannot be known with certainty until the filing is made. Nevertheless, the OMS urges the Commission to keep in mind the forthcoming Midwest ISO filing as it considers the SPP filing in this docket.

Our purpose in making this request is not to advocate any particular action with respect to the SPP filing, but to avoid any Commission action in this docket that might preclude any of the elements recommended by the OMS CARP or any elements that the Midwest ISO may include in its filing. Our reading of the SPP filing does not indicate any points that would be incompatible with a Midwest ISO filing; we simply ask the Commission to avoid introducing any inadvertent inconsistency should it direct modifications of the proposed tariffs.

III. CONCLUSION

For the reasons explained above, the OMS requests that the Commission establish a revised comment date in this docket.

Respectfully Submitted,
William H. Smith, Jr.
William H. Smith, Jr.
Executive Director
Organization of MISO States
100 Court Avenue, Suite 315
Des Moines, Iowa 50309
Tel: 515-243-0742

Dated: May 13, 2010

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Des Moines, Iowa, this 13th day of May 2010.

William H. Smith, Jr.
William H. Smith, Jr.

¹ 129 FERC ¶ 61,060 (2009)

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2009 calendar year, or tax year beginning and ending

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type. See Specific Instructions.	C Name of organization ORGANIZATION OF MISO STATES, INC. Doing Business As Number and street (or P.O. box if mail is not delivered to street address) Room/suite 100 COURT AVENUE 315 City or town, state or country, and ZIP + 4 DES MOINES, IA 50309	D Employer identification number 16-1671529
		F Name and address of principal officer: WILLIAM SMITH, JR same as C above	E Telephone number 515-243-0742
		I Tax-exempt status: <input checked="" type="checkbox"/> 501(c) (4) (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527	G Gross receipts \$ 528,426.
		J Website: WWW.MISOSTATES.ORG	H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) H(c) Group exemption number ▶
		K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶	L Year of formation: 2003 M State of legal domicile: IA

Part I Summary

	1 Briefly describe the organization's mission or most significant activities: THE ORGANIZATION OF MISO STATES, INC. IS TO COORDINATE REGULATORY OVERSIGHT AMONG THE STATES; MAKING		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
Activities & Governance	3 Number of voting members of the governing body (Part VI, line 1a)	3	14
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	14
	5 Total number of employees (Part V, line 2a)	5	3
	6 Total number of volunteers (estimate if necessary)	6	0
	7a Total gross unrelated business revenue from Part VIII, column (C), line 12	7a	0.
	b Net unrelated business taxable income from Form 990-T, line 34	7b	0.
	Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year 360,000.
9 Program service revenue (Part VIII, line 2g)			48,222.
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)		1,188.	204.
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)			
12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)		361,188.	528,426.
Expenses		13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	
	14 Benefits paid to or for members (Part IX, column (A), line 4)		
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	196,465.	212,713.
	16a Professional fundraising fees (Part IX, column (A), line 11e) b Total fundraising expenses (Part IX, column (D), line 25) ▶		
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	207,734.	313,783.
	18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	404,199.	526,496.
	19 Revenue less expenses. Subtract line 18 from line 12	-43,011.	1,930.
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Current Year 130,032.	End of Year 143,125.
	21 Total liabilities (Part X, line 26)	33,707.	44,870.
	22 Net assets or fund balances. Subtract line 21 from line 20	96,325.	98,255.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer WILLIAM SMITH, JR, EXECUTIVE DIRECTOR Type or print name and title	Date	
Paid Preparer's Use Only	Preparer's signature ▶ Firm's name (or yours if self-employed), address, and ZIP + 4 RYUN, GIVENS & CO, PLC 2900 100TH STREET, SUITE 301 URBANDALE, IA 50322	Date	Check if self-employed <input type="checkbox"/> Preparer's identifying number (see instructions) EIN ▶ Phone no. ▶ 515-225-3141

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

Part III Statement of Program Service Accomplishments

1 Briefly describe the organization's mission: See Schedule O for Continuation THE ORGANIZATION OF MISO STATES, INC. IS TO COORDINATE REGULATORY OVERSIGHT AMONG THE STATES; MAKING RECOMMENDATIONS TO THE MIDWEST INDEPENDENT SYSTEM OPERATOR (MISO), THE MISO BOARD OF DIRECTORS, THE FERC, AND RELEVANT GOVERNMENT ENTITIES, AND STATE COMMISSIONS AS

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No [X] No

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No [X] No

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ 473,949. including grants of \$) (Revenue \$ 48,222.) ORGANIZATION ASSISTS MEMBER STATES TO PARTICIPATE IN MISO STAKEHOLDER PROCESS. THIS ASSISTANCE ASSURES BETTER COORDINATION OF ELECTRICITY DELIVERY WITH STATE POLICIES; REIMBURSED TRAVEL EXPENSES FOR PARTICIPANTS IN 12 MEETINGS.

4b (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4c (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services. (Describe in Schedule O.) (Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses \$ 473,949.

Part IV Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>		X
2	Is the organization required to complete Schedule B, Schedule of Contributors?	X	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities? <i>If "Yes," complete Schedule C, Part II</i>		
5	Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations. Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? <i>If "Yes," complete Schedule C, Part III</i>		X
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		X
9	Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>		X
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>		X
11	Is the organization's answer to any of the following questions "Yes"? <i>If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable</i>	X	
	• Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI.</i>		
	• Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII.</i>		
	• Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII.</i>		
	• Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX.</i>		
	• Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i>		
	• Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? <i>If "Yes," complete Schedule D, Part X.</i>		
12	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII.</i>	X	
12A	Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional</i>	Yes	No
			X
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?		X
14b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? <i>If "Yes," complete Schedule F, Part I</i>		X
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Part II</i>		X
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Part III</i>		X
17	Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>		X
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		X
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H</i>		X

Part IV Checklist of Required Schedules (continued)

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>		X
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>		X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>		X
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25</i>		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>		X
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>		X
28 Was the organization a party to a business transaction with one of the following parties, (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
c An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>		X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		X
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>		X
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>		X
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19?	X	

Note. All Form 990 filers are required to complete Schedule O.

Part V Statements Regarding Other IRS Filings and Tax Compliance

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable		
	1a 2		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
	1b 0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		
	1c		
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return		
	2a 3		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return. (see instructions)	X	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		X
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O		
	3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		X
b	If "Yes," enter the name of the foreign country: _____ See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?		
	5c		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
	6b		
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
d	If "Yes," indicate the number of Forms 8282 filed during the year		
	7d		
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?		X
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?		X
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
	8		
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the organization make any taxable distributions under section 4966?		
b	Did the organization make a distribution to a donor, donor advisor, or related person?		
	9a		
	9b		
10	Section 501(c)(7) organizations. Enter:		
a	Initiation fees and capital contributions included on Part VIII, line 12	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b	
11	Section 501(c)(12) organizations. Enter:		
a	Gross income from members or shareholders	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b	

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body		
1a			14
b	Enter the number of voting members that are independent		
1b			14
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		X
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?		X
5	Did the organization become aware during the year of a material diversion of the organization's assets?		X
6	Does the organization have members or stockholders?		X
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		X
7b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a	The governing body?	X	
8a			
b	Each committee with authority to act on behalf of the governing body?	X	
8b			
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
10a	Does the organization have local chapters, branches, or affiliates?		X
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?		
10b			
11	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	X	
11A	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a	Does the organization have a written conflict of interest policy? If "No," go to line 13		X
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?		
12b			
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done		
12c			
13	Does the organization have a written whistleblower policy?		X
14	Does the organization have a written document retention and destruction policy?		X
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a	The organization's CEO, Executive Director, or top management official	X	
15a			
b	Other officers or key employees of the organization	X	
15b			
	If "Yes" to line 15a or 15b, describe the process in Schedule O. (See instructions.)		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?		
16b			

Section C. Disclosure

17	List the states with which a copy of this Form 990 is required to be filed	IN
18	Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply. <input checked="" type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request	
19	Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.	
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization:	
	ORGANIZATION OF MISO STATES, INC. - 515-243-0742	
	100 COURT AVE, SUITE 315, DES MOINES, IA 50309	

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year. Use Schedule J-2 if additional space is needed.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if the organization did not compensate any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
VALERIE LEMMIE PRESIDENT	15.00	X		X				0.	0.	0.
MONICA MARTINEZ VICE PRESIDENT	10.00	X		X				0.	0.	0.
DAVID ARMSTRONG SECRETARY	10.00	X		X				0.	0.	0.
ROBERT KENNEY TREASURER	10.00	X		X				0.	0.	0.
ROB BERNTSEN EXECUTIVE COMMITTEE AT-L	10.00	X		X				0.	0.	0.
SHERMAN ELLIOTT DIRECTOR	5.00	X						0.	0.	0.
GRAHAM LANE DIRECTOR	5.00	X						0.	0.	0.
GREG JERGESON DIRECTOR	5.00	X						0.	0.	0.
TYRONE CHRISTY DIRECTOR	5.00	X						0.	0.	0.
LAUREN AZAR DIRECTOR	5.00	X						0.	0.	0.
JIM ATTERHOLT DIRECTOR	5.00	X						0.	0.	0.
TOM PUGH DIRECTOR	5.00	X						0.	0.	0.
TONY CLARK DIRECTOR	5.00	X						0.	0.	0.
GARY HANSON DIRECTOR	5.00	X						0.	0.	0.
WILLIAM SMITH, JR EXECUTIVE DIRECTOR	40.00			X				117,699.	0.	4,696.

Part VIII		Statement of Revenue		(A)	(B)	(C)	(D)	
				Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1 a	Federated campaigns	1a					
	b	Membership dues	1b					
	c	Fundraising events	1c					
	d	Related organizations	1d					
	e	Government grants (contributions)	1e					
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	480,000.				
	g	Noncash contributions included in lines 1a-1f: \$						
	h	Total. Add lines 1a-1f			480,000.			
	Program Service Revenue	2 a	TRAVEL REIMBURSEMENTS	Business Code 900099	48,222.	48,222.		
b								
c								
d								
e								
f		All other program service revenue						
g		Total. Add lines 2a-2f			48,222.			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		204.			204.	
	4	Income from investment of tax-exempt bond proceeds						
	5	Royalties						
	6 a	Gross Rents	(i) Real	(ii) Personal				
		Less: rental expenses						
		Rental income or (loss)						
		Net rental income or (loss)						
	7 a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
		Less: cost or other basis and sales expenses						
		Gain or (loss)						
		Net gain or (loss)						
	8 a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	a					
		Less: direct expenses	b					
		Net income or (loss) from fundraising events						
	9 a	Gross income from gaming activities. See Part IV, line 19	a					
Less: direct expenses		b						
Net income or (loss) from gaming activities								
10 a	Gross sales of inventory, less returns and allowances	a						
	Less: cost of goods sold	b						
	Net income or (loss) from sales of inventory							
Miscellaneous Revenue		Business Code						
11 a								
	b							
	c							
	d	All other revenue						
	e	Total. Add lines 11a-11d						
12	Total revenue. See instructions.			528,426.	48,222.	0.	204.	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21				
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	117,699.	117,699.		
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	66,869.	66,869.		
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	7,314.	7,314.		
9 Other employee benefits	7,383.	7,109.	274.	
10 Payroll taxes	13,448.	13,448.		
11 Fees for services (non-employees):				
a Management				
b Legal	4,266.	4,266.		
c Accounting	1,312.		1,312.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other				
12 Advertising and promotion				
13 Office expenses	2,155.		2,155.	
14 Information technology				
15 Royalties				
16 Occupancy	20,497.		20,497.	
17 Travel	237,272.	225,131.	12,141.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	8,111.	7,141.	970.	
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	5,520.		5,520.	
23 Insurance				
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a TELEPHONE	15,760.	15,760.		
b WEBSITE HOSTING AND WEB	6,736.	6,736.		
c MISCELLANEOUS	6,556.	2,476.	4,080.	
d INSURANCE	5,598.		5,598.	
e				
f All other expenses				
25 Total functional expenses. Add lines 1 through 24f	526,496.	473,949.	52,547.	0.
26 Joint costs. Check here <input type="checkbox"/> if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation ...				

Part X Balance Sheet

		(A) Beginning of year		(B) End of year	
Assets	1 Cash - non-interest-bearing	109,570.	1	120,493.	
	2 Savings and temporary cash investments		2		
	3 Pledges and grants receivable, net		3		
	4 Accounts receivable, net		4		
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5		
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L		6		
	7 Notes and loans receivable, net		7		
	8 Inventories for sale or use		8		
	9 Prepaid expenses and deferred charges	5,046.	9	7,373.	
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 39,382.			
	b Less: accumulated depreciation	10b 24,123.	15,416.	10c 15,259.	
	11 Investments - publicly traded securities		11		
	12 Investments - other securities. See Part IV, line 11		12		
	13 Investments - program-related. See Part IV, line 11		13		
	14 Intangible assets		14		
	15 Other assets. See Part IV, line 11		15		
16 Total assets. Add lines 1 through 15 (must equal line 34)		130,032.	16	143,125.	
Liabilities	17 Accounts payable and accrued expenses	33,707.	17	44,870.	
	18 Grants payable		18		
	19 Deferred revenue		19		
	20 Tax-exempt bond liabilities		20		
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21		
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22		
	23 Secured mortgages and notes payable to unrelated third parties		23		
	24 Unsecured notes and loans payable to unrelated third parties		24		
	25 Other liabilities. Complete Part X of Schedule D		25		
	26 Total liabilities. Add lines 17 through 25		33,707.	26	44,870.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.				
	27 Unrestricted net assets	96,325.	27	98,255.	
	28 Temporarily restricted net assets		28		
	29 Permanently restricted net assets		29		
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.				
	30 Capital stock or trust principal, or current funds		30		
	31 Paid-in or capital surplus, or land, building, or equipment fund		31		
	32 Retained earnings, endowment, accumulated income, or other funds		32		
	33 Total net assets or fund balances	96,325.	33	98,255.	
34 Total liabilities and net assets/fund balances	130,032.	34	143,125.		

Part XI Financial Statements and Reporting

1 Accounting method used to prepare the Form 990: Cash Accrual Other _____

If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.

2a Were the organization's financial statements compiled or reviewed by an independent accountant?

b Were the organization's financial statements audited by an independent accountant?

c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?

If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.

d If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both:

Separate basis Consolidated basis Both consolidated and separate basis

3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?

b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.

	Yes	No
2a		X
2b	X	
2c	X	
3a		X
3b		

Form 990 (2009)

Schedule B
(Form 990, 990-EZ,
or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, 990-EZ, or 990-PF.

OMB No. 1545-0047

2009

Name of the organization

Employer identification number

ORGANIZATION OF MISO STATES, INC.

16-1671529

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)(4) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, aggregate contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year. ▶ \$ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2 of its Form 990, or check the box on line H of its Form 990-EZ, or on line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF.

Schedule B (Form 990, 990-EZ, or 990-PF) (2009)

Name of organization ORGANIZATION OF MISO STATES, INC.	Employer identification number 16-1671529
--	---

Part I Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	MIDWEST INDEPENDENT TRANSMISSION SYSTEM OPERATOR, INC. 701 CITY CENTER DRIVE CARMEL, IN 46032	\$ 480,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
_____	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
_____	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
_____	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
_____	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
_____	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
_____	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Schedule D (Form 990)

Department of the Treasury Internal Revenue Service

Supplemental Financial Statements

Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.

Attach to Form 990. See separate instructions.

OMB No. 1545-0047

2009

Open to Public Inspection

Name of the organization

ORGANIZATION OF MISO STATES, INC.

Employer identification number

16-1671529

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

Table with 3 columns: Line number, (a) Donor advised funds, (b) Funds and other accounts. Rows include total number at end of year, aggregate contributions, grants, value, and questions about donor advisement.

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

Form for Part II Conservation Easements. Includes checkboxes for purposes of easements, a table for 'Held at the End of the Tax Year' with rows 2a-2d, and questions 3-9 regarding monitoring and reporting.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

Form for Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Includes questions 1a, 1b, 2, and 2a regarding reporting of art and treasures.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items

(check all that apply):

- a Public exhibition
- b Scholarly research
- c Preservation for future generations
- d Loan or exchange programs
- e Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements. Complete if organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No

b If "Yes," explain the arrangement in Part XIV and complete the following table:

	Amount
c Beginning balance	1c
d Additions during the year	1d
e Distributions during the year	1e
f Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21? Yes No

b If "Yes," explain the arrangement in Part XIV.

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the year end balance held as:

- a Board designated or quasi-endowment _____ %
- b Permanent endowment _____ %
- c Term endowment _____ %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

	Yes	No
(i) unrelated organizations	3a(i)	
(ii) related organizations	3a(ii)	
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b	

4 Describe in Part XIV the intended uses of the organization's endowment funds.

Part VI Investments - Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment		12,692.	5,331.	7,361.
e Other		26,690.	18,792.	7,898.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				15,259.

Part VII Investments - Other Securities. See Form 990, Part X, line 12.

Table with 3 columns: (a) Description of security or category, (b) Book value, (c) Method of valuation. Rows include Financial derivatives, Closely-held equity interests, and Other.

Part VIII Investments - Program Related. See Form 990, Part X, line 13.

Table with 3 columns: (a) Description of investment type, (b) Book value, (c) Method of valuation.

Part IX Other Assets. See Form 990, Part X, line 15.

Table with 2 columns: (a) Description, (b) Book value.

Part X Other Liabilities. See Form 990, Part X, line 25.

Table with 2 columns: (a) Description of liability, (b) Amount. Row 1: Federal income taxes.

2. FIN 48 Footnote. In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48.

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	528,426.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	526,496.
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	1,930.
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV.)	8	
9	Total adjustments (net). Add lines 4 through 8	9	0.
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	1,930.

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	528,426.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV.)	2d	
e	Add lines 2a through 2d	2e	0.
3	Subtract line 2e from line 1	3	528,426.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV.)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	528,426.

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	526,496.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV.)	2d	
e	Add lines 2a through 2d	2e	0.
3	Subtract line 2e from line 1	3	526,496.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV.)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5	526,496.

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.
▶ Attach to Form 990.

OMB No. 1545-0047

2009

Open to Public
Inspection

Name of the organization

ORGANIZATION OF MISO STATES, INC.

Employer identification number

16-1671529

Form 990, Part I, Line 1, Description of Organization Mission:

RECOMMENDATIONS TO THE MIDWEST INDEPENDENT SYSTEM OPERATOR (MISO), THE
MISO BOARD OF DIRECTORS, THE FERC, AND RELEVANT GOVERNMENT ENTITIES,
AND STATE COMMISSIONS AS APPROPRIATE; AND INTERVENING IN PROCEEDINGS
BEFORE THE FERC AND IN RELATED JUDICIAL PROCEEDINGS TO EXPRESS THE
POSITIONS OF THE ORGANIZATION OF MISO STATES.

Form 990, Part III, Line 1, Description of Organization Mission:

APPROPRIATE; AND INTERVENING IN PROCEEDINGS BEFORE THE FERC AND IN
RELATED JUDICIAL PROCEEDINGS TO EXPRESS THE POSITIONS OF THE
ORGANIZATION OF MISO STATES.

Form 990, Part VI, Section B, line 11: THE BOARD OF DIRECTORS WILL REVIEW
A COPY OF THE FORM 990 AT A BOARD MEETING PRIOR TO THE FORM 990 BEING
FILED.

Form 990, Part VI, Section B, Line 15: THE EXECUTIVE COMMITTEE OF THE
BOARD OF DIRECTORS REVIEW AND APPROVE THE SALARIES FOR THE EXECUTIVE
DIRECTOR. THE SALARY RECOMMENDATION IS THEN APPROVED BY THE ENTIRE BOARD OF
DIRECTORS.

Form 990, Part VI, Section C, Line 18: FORM 990 AND FORM 1023 ARE
AVAILABLE TO THE PUBLIC ON THE ORGANIZATION FOR MISO STATES' WEBSITE.

Form 990, Part VI, Section C, Line 19: ALL GOVERNING DOCUMENTS AND AUDITED
FINANCIAL STATEMENTS ARE AVAILABLE TO THE PUBLIC ON THE ORGANIZATION FOR

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule O (Form 990) 2009

932211
02-03-10

**SCHEDULE O
(Form 990)**

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.
▶ Attach to Form 990.

OMB No. 1545-0047

2009

Open to Public
Inspection

Name of the organization

ORGANIZATION OF MISO STATES, INC.

Employer identification number

16-1671529

MISO STATES' WEBSITE.

FORM 990. PART XI, LINE 2C

RESPONSIBILITY FOR OVERSIGHT OF AUDIT AND SELECTION OF INDEPENDANT AUDITOR

THE BOARD OF DIRECTORS FOR THE ORGANIZATION ARE RESPONSIBLE FOR THE

OVERSIGHT OF THE AUDIT AND ARE RESPONSIBLE FOR THE SELECTION OF THE

INDEPENDANT AUDITORS. THIS PROCESS HAS REMAINED UNCHANGED FROM THE

PRIOR YEARS.

**IRS e-file Signature Authorization
for an Exempt Organization**

For calendar year 2009, or fiscal year beginning _____, 2009, and ending _____, 20____

2009

Department of the Treasury
Internal Revenue Service

▶ **Do not send to the IRS. Keep for your records.**
▶ **See instructions.**

Name of exempt organization

Employer identification number

ORGANIZATION OF MISO STATES, INC.

16-1671529

Name and title of officer

**WILLIAM SMITH, JR
EXECUTIVE DIRECTOR**

Part I Type of Return and Return Information (Whole Dollars Only)

Check the box for the return for which you are using this Form 8879-EO and enter the applicable amount, if any, from the return. If you check the box on line **1a, 2a, 3a, 4a, or 5a**, below, and the amount on that line for the return for which you are filing this form was blank, then leave line **1b, 2b, 3b, 4b, or 5b**, whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. **Do not** complete more than 1 line in Part I.

1a Form 990 check here ▶ <input checked="" type="checkbox"/>	b Total revenue, if any (Form 990, Part VIII, column (A), line 12)	1b <u>528426</u>
2a Form 990-EZ check here ▶ <input type="checkbox"/>	b Total revenue, if any (Form 990-EZ, line 9)	2b _____
3a Form 1120-POL check here ▶ <input type="checkbox"/>	b Total tax (Form 1120-POL, line 22)	3b _____
4a Form 990-PF check here ▶ <input type="checkbox"/>	b Tax based on investment income (Form 990-PF, Part VI, line 5)	4b _____
5a Form 8868 check here ▶ <input type="checkbox"/>	b Balance Due (Form 8868, line 3c)	5b _____

Part II Declaration and Signature Authorization of Officer

Under penalties of perjury, I declare that I am an officer of the above organization and that I have examined a copy of the organization's 2009 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) an indication of any refund offset, (c) the reason for any delay in processing the return or refund, and (d) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the organization's electronic return and, if applicable, the organization's consent to electronic funds withdrawal.

Officer's PIN: check one box only

I authorize RYUN, GIVENS & CO, PLC to enter my PIN 54321
ERO firm name Enter five numbers, but do not enter all zeros

as my signature on the organization's tax year 2009 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

As an officer of the organization, I will enter my PIN as my signature on the organization's tax year 2009 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Officer's signature ▶ _____ Date ▶ _____

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit EFIN followed by your five-digit self-selected PIN. 42305712345
do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2009 electronically filed return for the organization indicated above. I confirm that I am submitting this return in accordance with the requirements of Pub. 4163, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature ▶ _____ Date ▶ _____

**ERO Must Retain This Form - See Instructions
Do Not Submit This Form To the IRS Unless Requested To Do So**

Check if: Change of Address
 Amended Report
 Final Report: Indicate Date Closed _____

Indiana Department of Revenue
Indiana Nonprofit Organization's Annual Report

NP-20

State Form 51062
(R3 / 3-10)

For the Calendar Year or Fiscal Year
Beginning 01/01/2009 and Ending 12/31/2009
MM/DD/YYYY MM/DD/YYYY

Due on the 15th day of the 5th month following the end of the tax year.
NO FEE REQUIRED.

Name of Organization ORGANIZATION OF MISO STATES, INC.		Telephone Number 515-243-0742
Address 100 COURT AVENUE, No. 315	County	Indiana Taxpayer Identification Number
City DES MOINES, IA	State IA	ZIP Code 50309
Federal Identification Number 16-1671529		Contact's Telephone Number 515-243-0742
Printed Name of Person to Contact WILLIAM SMITH, JR		

If you are filing a federal return, attach a completed copy of Form 990, 990EZ, or 990PF.

Note: If your organization has unrelated business income of more than \$1,000 as defined under **Section 513** of the Internal Revenue Code, **you must also file Form IT-20NP.**

Current Information

1. Have any changes not previously reported to the Department been made in your governing instruments, (e.g.) articles of incorporation, bylaws, or other instruments of similar importance? If yes, attach a detailed description of changes.
2. Indicate number of years your organization has been in continuous existence. 7.
3. Attach a schedule, listing the names, titles and addresses of your current officers. **See Statement 2**
4. Briefly describe the purpose or mission of your organization below.

See Statement 1

Email Address:

I declare under the penalties of perjury that I have examined this return, including all attachments, and to the best of my knowledge and belief, it is true, complete, and correct.

EXECUTIVE DIRECTOR

Signature of Officer or Trustee

Title

Date

Name of Person(s) to Contact

Daytime Telephone Number

Important: Please submit this completed form and/or extension to:
Indiana Department of Revenue, Tax Administration
P.O. Box 7147
Indianapolis, IN 46207-7147
Telephone: (317) 233-4015

Extensions of Time to File

The Department recognizes the Internal Revenue Service application for automatic extension of time to file, Form 8868. **Please forward a copy of your federal extension, identified with your Nonprofit Taxpayer Identification Number (TID), to the Indiana Department of Revenue, Tax Administration by the original due date to prevent cancellation of your sales tax exemption.** Always indicate your Indiana Taxpayer Identification number on your request for an extension of time to file.

Reports post marked within thirty (30) days after the federal extension due date, as requested on Federal Form 8868, will be considered as timely filed. A copy of the federal extension must also be attached to the Indiana report. In the event that a federal extension is not needed, a taxpayer may request in writing an Indiana extension of time to file from the: Indiana Department of Revenue, Tax Administration, P.O. Box 7147, Indianapolis, IN 46207-7147, (317) 233-4015.

If Form NP-20 or extension is not timely filed, the taxpayer will be notified by the Department pursuant to I.C. 6-2.5-5-21(d), to file Form NP-20. If within sixty (60) days after receiving such notice the taxpayer does not file Form NP-20, the taxpayer's exemption from sales tax will be canceled.

THE ORGANIZATION OF MISO STATES IS TO COORDINATE REGULATORY OVERSIGHT AMONG THE STATES; MAKING RECOMMENDATIONS TO THE MIDWEST INDEPENDENT SYSTEM OPERATOR (MISO), THE MISO BOARD OF DIRECTORS, THE FERC, OTHER RELEVANT GOVERNMENT ENTITIES, AND STATE COMMISSIONS AS APPROPRIATE; AND INTERVENING IN PROCEEDINGS BEFORE THE FERC AND IN RELATED JUDICIAL PROCEEDINGS TO EXPRESS THE POSITIONS OF THE ORGANIZATION OF MISO STATES.

Form NP-20 List of Officers, Directors and Trustees Statement 2

<u>Name and Address</u>	<u>Title</u>
VALERIE LEMMIE 100 COURT AVENUE, No. 315 DES MOINES, IA 50309	PRESIDENT
MONICA MARTINEZ 100 COURT AVENUE, No. 315 DES MOINES, IA 50309	VICE PRESIDENT
DAVID ARMSTRONG 100 COURT AVENUE, No. 315 DES MOINES, IA 50309	SECRETARY
ROBERT KENNEY 100 COURT AVENUE, No. 315 DES MOINES, IA 50309	TREASURER
ROB BERNTSEN 100 COURT AVENUE, No. 315 DES MOINES, IA 50309	EXECUTIVE COMMITTEE AT-LARGE
SHERMAN ELLIOTT 100 COURT AVENUE, No. 315 DES MOINES, IA 50309	DIRECTOR
GRAHAM LANE 100 COURT AVENUE, No. 315 DES MOINES, IA 50309	DIRECTOR
GREG JERGESON 100 COURT AVENUE, No. 315 DES MOINES, IA 50309	DIRECTOR
TYRONE CHRISTY 100 COURT AVENUE, No. 315 DES MOINES, IA 50309	DIRECTOR
LAUREN AZAR 100 COURT AVENUE, No. 315 DES MOINES, IA 50309	DIRECTOR
JIM ATTERHOLT 100 COURT AVENUE, No. 315 DES MOINES, IA 50309	DIRECTOR
TOM PUGH 100 COURT AVENUE, No. 315 DES MOINES, IA 50309	DIRECTOR

TONY CLARK
100 COURT AVENUE, No. 315
DES MOINES, IA 50309

DIRECTOR

GARY HANSON
100 COURT AVENUE, No. 315
DES MOINES, IA 50309

DIRECTOR

WILLIAM SMITH, JR
100 COURT AVENUE, No. 315
DES MOINES, IA 50309

EXECUTIVE DIRECTOR

On May 3, 2010, MISO held its second Convex Hull Pricing Workshop. See http://www.midwestmarket.org/publish/Folder/ff6bb_1280201754d_-7f740a48324a for the presentation and a recording of the workshop. Note that recordings of this and future workshops can be found on MISO's web site with the workshop meeting materials. MISO asserts that this new pricing approach is needed to compensate generators for its "commitment" costs, although MISO does not define those costs, and to minimize uplift charges. Some stakeholders raised concerns that this new pricing approach will result in increased rates to customers because the increased prices charged by all generators will escalate costs across the region.

MISO 5/3/10 Convex Hull Pricing Workshop 2

Susan Pope of LECG presented and Paul Gribbick of MISO helped answer questions. MISO is now calling Convex Hull Pricing Extended LMP, or ELMP. MISO is proposing to use ELMP to extend the calculation of LMPs prices to include the costs of commitment decisions in addition to the LMPs that are calculated as shadow price in the dispatch decisions. This extension will allow the inclusion of offers from block- loaded gas (combustion) turbines and demand response in the price determination.

LMPs are not market clearing prices. If generators were simply paid LMPs there are situations in which generators would not supply because the LMPs do not cover all of their costs. If a market clearing price exists, ELMPs are the market clearing price. MISO stated that paying ELMPs does not eliminate uplift, but by including unit commitment costs in hourly prices, uplifts to market participants to cover these costs will be minimized. (pg. 4)

ELMPs would be calculated after dispatch (ex-post), taking as given the least-cost security-constrained unit commitment and dispatch determined by the Midwest ISO using all of the bids and offers provided. (pg. 7) These price calculations include the effects of startup costs, no-load costs and costs of operating any resources dispatched at minimum, thereby minimizing uplift. (pg. 24) Since ELMP is calculated after dispatch, it does not affect the dispatch. Three situations for calculating ELMP are discussed below.

Start Up Costs: Start up costs are not taken into account in the dispatch of generation available (committed), and are therefore not included in the calculation of LMPs. MISO is proposing to include these costs in its ex-post calculation of LMPs. An example of inclusion of start up costs in ELMP was included in the presentation (pgs. 73-77), where a CT was started up in hour 5 and start up costs were included in the peak hour 11. MISO did not explain why start up costs were allocated to the peak hour, but states it will do so in its next workshop.

No Load Costs: No load cost occur every hour and in hours of lower demand, it is possible for the LMP to be based on the Marginal Cost of a unit whose no load cost results in its average costs being higher than the LMP. In this case, the LMP based on marginal cost would not provide enough revenue to cover the units total cost and an uplift would be required. It appears that ELMP would then set the price equal to the higher average cost rather than the lower marginal cost thereby eliminating the uplift required to cover the unit's total cost. (pgs. 33-39)

Block-Loaded Gas Turbines: When demand increases and the cheapest alternative to add to the dispatch is a gas (combustion) turbine that must be put on at its full capacity, the current pricing methodology does not allow the gas turbine to set the LMP. In fact, another unit may have to be backed down, and the LMP may actually decrease with the MC of that unit decreasing with a lower level of output. Uplift is required to pay the start up and energy offer of the gas turbine. ELMP would set the price at the energy offer of the gas turbine, and would incur uplift payments to the generator that is constrained down. However, the uplift payments under ELMP would be less than under LMP. (pgs. 43-55)

Issue: Because the ELMPs would increase prices and these higher prices would be paid by some, it was asked why not just pay uplift and keep the overall costs lower? It was also said that by including uplifts in MCP, they can be hedged, while uplifts cannot be hedged. Sharon and Paul pointed out that in other instances, ELMP would be used to prevent large price spikes and would actually lower overall costs. However, the overall impact of increasing or lowering costs to load cannot easily be predicted because the results will vary depending on the frequency of the situations. Paul pointed out further that uplift socializes the cost, while ELMP places the costs on the cost causers.

Examples of where large price spikes are eliminated through ELMP were presented. Large price spikes are primarily a result of unexpected changes to the dispatch from changes in load (actual load different from load forecast). The result is that unit commitment is not adequate to meet load, causing a shortage and subsequent price spike. Under ELMP, prices would be set ex post taking into account capacity that would have been available had the difference in load had been known before the fact. (pgs. 77-80)

Regarding comparing ELMP with the current LMP, Susan said that a comparison of LMP and ELMP prices presumes that LMPs, as they are currently calculated, are an appropriate benchmark, while they are not. (pg. 65) As an aside, MISO gave a presentation the next day in the 5/4 MSC meeting (Agenda item 11) about compensating for opportunity costs that are not recovered in the current pricing method, stating that "Including the effects of opportunity costs in market prices to the extent possible would reduce the side payments to cover opportunity costs and therefore uplifts."

Two new uplifts are proposed to be included under ELMP. Constrained Down Payments are paid to keep control of units, as they could decide to produce more or revise their offer to be must run. (pg 30) As the previous discussion mentioned, the constrained down payments, while producing some uplift, result in a lower uplift than under current LMP pricing. The other uplift is required to maintain the same level of revenue adequacy for FTRs as occurs today under LMP. ELMP will also change the congestion component of LMP, as it changes the price put on congestion, but not the congestion itself. It is an after-the-fact calculation and does not affect dispatch. It was pointed out that this is unrelated to issues of loop flow and transmission outages that result in underfunding of FTRs. Those would still exist and are the subject of the FTR working group. (pg 32)

Summary of Alleged Benefits of ELMP (pgs. 67-71)

- ELMPs come close to providing sufficient incentives to follow market schedules.

- If there is a MCP, it would be ELMP
- ELMPs increase as demand increases, while in some cases LMPs decrease as demand increases
- ELMPs improve price signals for block loaded units, start-up and no-load costs
- ELMPs reduces price volatility for DA and RT and are less vulnerable to forecast errors.

Other potential benefits asserted are long-run Improvements in Unit Commitment (pg 82), ability to use FTRs to hedge a greater percent of energy costs (pg 83), and reduced “pay as bid” incentives. (pg 84)

MISO’s plan is to complete workshops by the end of June, file with FERC by the end of the year, and put ELMP into place sometime during 2011.

This was the second of four Convex Hull Pricing workshops. The third and fourth workshops will be on May 26 and sometime in June, where MISO expects to show several small examples, then a few big cases. The first workshop was on 10/30/09. See http://www.midwestmarket.org/publish/Folder/5e2639_12471e7994b_-7f200a48324a?rev=1 for presentations and recordings. MISO has also provided updates at MSC meetings.

The summary is from Mike Proctor with input from Christine Ericson (IL), Bill Bokram (MI), and Dave Johnston (IN), who also attended or participated.

1. MISO MSC review of ASM Zonal Cost Allocation

MISO plans to revise the method used to allocate the costs of procuring ancillary services for operating reserves. OMS had requested (in 2007 and again in 2008) that MISO analyze the cost allocation method for ancillary product procurement costs one year after ASM went into effect, and this development is in response to that request. At the 3/2/10 MISO Market Subcommittee meeting, MISO presented a follow up on an ASM cost allocation study. MISO presented the final study to OMS on 3/27/10.

MISO determined that "all Reserve Zone minimum requirements are less than their proportional Market Wide requirement for the Zone" and concluded that "Zones with Scarcity and Minimum Requirement Binding are not being allocated cost associated with their share of the Marketwide Obligation." MISO believes that the cost shift is material only for Regulation (and not significant for Spin or Supplemental). MISO plans to change to a Load Ratio Share (LRS) Method, which they assert will more closely follow the cost causation and beneficiaries pay approach to cost allocation. At the 5/4 MSC meeting, the MISO motion that the MSC support MISO's proposed LRS method passed. We anticipate that MISO will file revised tariff sheets soon. At that time, there will be an opportunity to review the application and file comments.

Status: Waiting for FERC filing to determine desire for OMS comments.

2. MISO/PJM Market-to-Market flow error settlement distribution allocation

MISO is working on a method to allocate significant monies that it expects to receive from PJM for resettlement of transactions (once the pending dispute is resolved at FERC) under the market-to-market congestion management process of the parties' JOA. MISO proposed in its 3/31/10 Whitepaper a 3 tranche distribution methodology based on Auction Revenue Rights (ARR) allocation, Financial Transmission Rights (FTR) underfunding, and Revenue Neutrality Uplift (RNU) paid, in that order. No OMS states have raised concerns to date.

To help give MISO direction, NIPSCO proposed a motion for the 5/4 MSC meeting. We notified work group members and urged voting at the MSC for any that have concerns. The motion passed, supporting MISO's proposed methodologies that it presented in its 3/31/10 White Paper as well as a deadline of October for calculations so that MISO can distribute monies in 2010. Based on work group feedback there are no concerns that OMS should raise. This may best be left to market participants to work out, as many still disagree with accuracy and weight given to each of the three Tranches. For example, Steve Leovy (WPPI Energy) explained how some impacts on ARRs and FTRs offset each other, meaning that MISO's estimates of impacts may be overstated for FTRs. Steve will follow up with Todd Ramey and revisit this at a future MSC meeting.

Status: Continue to monitor.

3. MISO Convex Hull Workshop 2

MISO gave the 2nd of 4 workshops on Convex Hull Pricing on 5/3/10. MISO is now calling Convex Hull Pricing Extended LMP, or ELMP. MISO states that ELMP is intended to compensate generators for "commitment" costs (although they have not defined that term) and to minimize uplift charges. Some stakeholders raised concerns that the new ELMP approach could raise

customer rates because it will cause prices to be higher for all generators, rather than impose uplift charges for a few generators at particular times. We are providing updates and summaries via separate reports to the work group.

This was the second of four Convex Hull Pricing workshops. The third and fourth workshops will be on May 26 and sometime in June, where MISO expects to show several small examples, and then a few big cases. The first workshop was on 10/30/09. MISO has also provided updates at MSC meetings.

MISO's plan is to complete workshops by the end of June, file with FERC by the end of the year, and put ELMP into place sometime during 2011.

Status: Monitor for potential issues and OMS comments at MSC and FERC.

4. Potential items coming up

We shared information with the M&TWG about current items before the MSC on Wind Integration Initiative along with motions towards developing MISO's dispatchable intermittent proposal and allowing intermittent resources to provide operating reserves. MISO expects to file its dispatchable intermittent proposal at FERC soon. We have no OMS concerns raised to date.

MISO reported progress on its Look Ahead Commitment Tool at the 5/4 MSC meeting. While a separate project from ELMP, it is related in the sense that MISO's ability to look ahead up to 3 hours will help optimize real time unit commitment, better utilize resources, and reduce price spikes. MISO expects the first version to go into effect in 2012. We are providing updates and summaries via separate reports to the work group. We have no OMS concerns raised to date.

Status: Monitor for potential issues and OMS comments at MSC and FERC.

For those interested, please note the following MISO meetings:

MISO Market Subcommittee - monthly meetings (6/1 next mtg)

New chair is Marlene Parsley, vice chair is Bill SeDoris for the 2010-2011 term that starts on June 1st.

MISO RSG Task Force – monthly meetings (6/2 next mtg)

MISO FTR Working Group – monthly meetings (6/2 next mtg)

The **OMS Markets and Tariffs Work Group** covers: Energy and ASM markets, Market Monitoring and Mitigation. See <http://www.misostates.org/2008Oct14OMSWGstructureapprovedbyOMSBOD.pdf>

Christine Ericson and Bill Bokram, Markets and Tariffs Work Group co-chairs

OMS Resources Work Group

Status Report to OMS Board of Directors – May 13, 2010

SAWG - Capacity Market

The May 6th SAWG meeting had an agenda item to review the Resource Adequacy Construct Improvement process. The main issues included; forward obligation, load forecasting, and retail choice issues.

The Midwest ISO sent an email May 7th asking for stakeholder feedback on the following five questions:

1. Are there things Midwest ISO is seeing that gives it concern with the current construct? If so, what are they?
2. What elements of RA constructs are better to check after-the-fact and what items are better to check before?
3. Does the current construct enable for investment recovery? If so, how?
4. Will Midwest ISO consider (1) forward capacity market (2) mandatory capacity market?
5. Can Retail Choice state issues be handled within each state? What can Midwest ISO do to help solve Retail Choice state issues that the states cannot? What are the Retail Choice state issues?

Any comments should be sent to Kevin Larson.

The due date was changed from May 14th to 21st.

The Resources WG scheduled a quick conference call this week for initial thoughts. Todd Hillman of the Midwest ISO has offered some help.

The hyperlink to the SAWG presentation follows:

http://www.midwestmarket.org/publish/Document/ff6bb_1280201754d_-7c500a48324a

LOLE WG

The Loss of Load Expectation WG continues to determine the methodology and techniques to establish reserve criteria. The wind capacity value for the system is calculated to be at 8% ELCC (Effective Load Carrying Capability) when the system penetration at 7%. They are also examining the value at individual commercial pricing node.

The Midwest ISO attended the NERC LOLEWG meeting in April. A comparison of the best practices with models and techniques was covered including wind capacity credit

and other planning reserve margin elements. RTOs, FERC, NERC and reliability organizations were in attendance.

Voluntary Capacity Auction Results

Summary: June 2010 Voluntary Capacity Auction APRCs	Jun-10	May-10	Apr-10	Mar-10
Offers submitted	9,083.7	21,609.9	27,683.4	23,985.9
Bids submitted	1,680.8	1,537.5	1,339.6	1,533.0
Cleared Amount	1629.8	1,537.4	1,339.5	1,532.9
Clearing Price	\$5.00	\$0.35	\$0.35	\$0.50

By: Don Neumeyer

May 10, 2010

Report of the OMS Demand Response and Technology Working Group

1. FERC has not yet issued an order concerning the Midwest ISO's proposal to accommodate ARCs in Midwest ISO markets. The Midwest ISO has stated that it will continue to develop and prepare the systems that are necessary to implement its plan as scheduled on June 1, but that it will not put it into operation unless and until FERC issues an order.
2. FERC issued a Notice of Proposed Rulemaking on March 18, 2010 that would require RTOs to pay ARC the full LMP for reductions in load made as part of an RTO demand response program. Docket No. RM10-17. The Demand Response and Technology Working Group held a teleconference meeting on May 7, 2010 to discuss draft OMS comments. These comments are scheduled to be discussed at the OMS Board meeting on May 13, 2010.
3. The OMS Demand Response Working Group monthly meeting was held on Monday, May 3. Items of interest from that meeting are:
 - a. FERC issued an order approving the NAESB Measurement and Verification standards and an order accepting MISO's interim proposal for incorporating Load Modifying Resources into the Module E voluntary capacity auction.
 - b. There was a discussion of confidentiality issues relating to the specification of the Marginal Foregone Retail Rate in retail choice states.
 - c. There was a presentation by Global Energy partners on the Assessment of Demand Response and Energy Efficiency Potential that they are conducting for MISO.
 - d. There was a lengthy presentation on the Demand Response Tool (DRT) that MISO has developed to automate the registration process for ARCs.
 - e. Mike Robinson from the MISO gave an update on MISO's efforts to incorporate Price Responsive Demand into the MISO markets.