



**ORGANIZATION OF MISO STATES, INC.  
Special CLOSED Board of Directors Meeting  
Conference Call Minutes  
August 30, 2012**

**Approved September 13, 2012**

Robert Kenney, President of the Organization of MISO States, Inc. (OMS), called the August 16, 2012 special closed meeting of the OMS Board of Directors to order via conference call at approximately 12:00 p.m. (CDT). The following board members or their proxies participated in the meeting:

John Colgan, Illinois  
Kari Bennett, Indiana  
Libby Jacobs, Iowa  
Linda Breathitt, Kentucky  
Regis Gosselin, Manitoba  
Orjiakor Isiogu, Michigan  
David Boyd, Minnesota  
Robert Kenney, Missouri  
Brad Molnar, Montana  
Jerry Lein, proxy for Brian Kalk, North Dakota  
Greg Rislov, proxy for Gary Hanson, South Dakota  
Eric Callisto, Wisconsin

Absent  
None

Agency members participating  
Randy Rismiller, Linda Wagner – Illinois  
Tia Elliott, David Johnston – Indiana  
Janet Amick – Iowa  
Talina Mathews, Richard Raff – Kentucky  
Angie Butcher – Michigan  
Burl Haar – Minnesota  
Joshua Harden – Missouri  
Brian Dekiep, Kim Moran – Montana  
Gail Maly, Randy Pilo, Julie Urban – Wisconsin

Others on the call  
Julie Mitchell – OMS Staff

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

## **BUSINESS**

The OMS Board met in closed session, pursuant to Article 13 of the OMS By-Laws, to discuss legal and strategy issues related to governance proposals.

**Robert Kenney moved to approve a proposal for enhanced OMS authority for determining cost allocation methodologies to be filed pursuant to Section 205 of the Federal Power Act with the amendments discussed at this August 30<sup>th</sup> Special OMS Board Meeting with the proposal to be forwarded to MISO. Kari Bennett seconded the motion. Voting was deferred by electronic mail upon receipt of the edited version of the proposal.**

**Illinois - no  
Indiana - yes  
Iowa - yes  
Kentucky - yes  
Manitoba - abstain  
Michigan - yes  
Minnesota - yes  
Missouri - yes  
Montana - yes  
North Dakota - yes  
South Dakota - yes  
Wisconsin - yes**

The motion passed with 10 ayes, 1 no, and 1 abstention.

## **ADJOURNMENT**

The OMS Board of Directors meeting adjourned at 1:00 CDT on Friday, August 31.

## **OMS Counterproposal for Enhanced Authority for Determining Cost Allocation Methodologies to be Filed Pursuant to Section 205 of the Federal Power Act**

OMS proposes to modify and supplement its earlier proposal as follows:

1. OMS would have the legal right under MISO's tariff to request and MISO will agree to file an amendment to its cost allocation methodology that would be identified as an OMS proposed filing.
  2. OMS's authority to request MISO to file a separate filing would be exercisable in any of the following circumstances:
    - a. Upon MISO undertaking a section 205 filing to amend an existing cost allocation methodology.
    - b. Upon OMS request that MISO 1) examine a change or changes in methodology, which MISO would not unreasonably deny, and subject to the commencement of a stakeholder process as provided and modified in 5 and 6, below, or 2) make minor technical and clarification tariff changes. Once an examination is requested under 1), MISO shall begin the requested stakeholder process not more than 60 days after the date of OMS's request.
- For purposes of this No. 2, "examine a change or changes in methodology" shall not include the methodologies employed in Baseline Reliability Projects but shall mean changing any transmission project cost allocation methodology, changing the definition of the classes or types of transmission projects subject to any MISO cost allocation formula, or any combination of the foregoing. In the case of any dispute between MISO and OMS as to whether a MISO proposal examines a change or changes in methodology, the proposal nonetheless shall be deemed to be an examination of a change or changes in methodology for purposes of OMS's Section 205 rights described herein.
3. The right described above would apply to the cost allocation methodology being applied to new regional projects and those previously-approved projects where MISO initiates reevaluation in the future (in other words, the cost allocation methodology may be an existing methodology that is being applied to a new or reevaluated set of projects), excluding Baseline Reliability Projects.
  4. This new involvement would apply immediately, not upon the expiration of the five-year transition period accepted by the FERC in its Order in Docket No. ER-12-480-000, dated April 19, 2012 (139 FERC ¶ 61,056). Nothing in this paragraph is intended to transfer costs between MISO North and MISO South during the five-year transition period.
  5. Barring extraordinary circumstances, MISO shall honor any request by OMS that one or more state commissioners be selected as stakeholder process co-chairs, provided OMS provides

assurances of the availability of said commissioner(s) to help direct the stakeholder process in a timely manner. At the beginning of the stakeholder process developing a proposal seeking to amend an existing cost allocation methodology or develop a new cost allocation methodology, MISO and OMS will work cooperatively to develop appropriate guidelines and time frames by which any alternative proposal and supporting materials would be completed.

6. At any point during the stakeholder process (whether initiated by MISO or OMS request) developing a proposal seeking to amend an existing cost allocation methodology or develop a new cost allocation methodology, OMS may undertake to develop an alternative cost-allocation methodology, so long as 66% of the OMS voting members agree to this undertaking. If at the end of such stakeholder process MISO reasonably concludes that it will not file with FERC either any amendment to an existing cost allocation methodology or a new cost allocation methodology, then no OMS alternative will be filed by MISO. MISO will provide to OMS a written explanation of its decision not to file with FERC.

7. OMS and MISO will work cooperatively to ensure that OMS's alternative tariff language, as well as any material supporting justness and reasonableness, is filed in an agreed upon time frame.

8. Nothing in this proposal is intended to supersede or abrogate MISO's or any MISO Transmission Owner's existing Section 205 rights.

9. Nothing in this proposal is intended to affect any existing or currently planned transmission project in the 2011 MISO MTEP, Appendix A. In other words, nothing in this proposal is intended to operate retroactively on currently approved projects that proceed without re-evaluation by MISO.

10. MISO shall provide the technical support (either in human or financial resources) in order for OMS to support the justness and reasonableness of its proposal. MISO staff shall be subject to reasonable direction by authorized OMS representatives for purposes of developing an OMS cost allocation methodology proposal whether or not OMS ultimately requests that MISO files a tariff as provided herein.

11. MISO shall timely file and fully support at FERC the changes sought in this proposal regardless of the outcome of the integration of any of the Entergy Corporation entities (or successor organizations) into MISO as TO members. Entergy Corporation is defined as and understood to mean Entergy Arkansas, Entergy Mississippi, Entergy Louisiana, Entergy Gulf States Louisiana, Entergy Texas, and Entergy New Orleans.

*This OMS Section 205 Counterproposal was adopted by the OMS Board of Directors on August 30, 2012. The Manitoba Public Utilities Board abstained from voting on this proposal.*