Organization of MISO States

ORGANIZATION OF MISO STATES, INC.
Board of Directors Meeting
Conference Call Minutes
September 19, 2013

Approved October 17, 2013

Eric Callisto, Vice-President of the Organization of MISO States, Inc. (OMS), called the September 19, 2013 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:

Keith Berry, proxy for Collette Honorable, Arkansas
John Colgan, Illinois
Beth Roads, proxy for Kari Bennett, Indiana
Libby Jacobs, Iowa
Linda Breathitt, Kentucky
Eric Skrmetta, Louisiana
Regis Gosselin, Manitoba
Sally Talberg, Michigan
Burl Haar, proxy for David Boyd, Minnesota
Robert Kenney, Missouri
Kirk Bushman, Montana
Eric Callisto, Wisconsin

Absent
Mississippi
City of New Orleans
North Dakota
South Dakota

Agency members participating
Noel Darce, Paul Zimmering - Louisiana
Angie Butcher, Jessica Govindan – Michigan
Hwikwon Ham, Cezar Panait – Minnesota
Adam McKinnie, Lera Shemwell, Goldie Tompkins - Missouri
Kim Moran – South Dakota
Richard Greffe – Texas
Don Neumeyer - Wisconsin

Others on the call
Julie Mitchell, Bill Smith – OMS Staff
Valerie Lemmie – EISPC
Brian Rybarik - MISO

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

Approval of Minutes from the August 15 and September 5, 2013 Board Meetings

The minutes from the August 15th and September 5th Board Meetings were accepted as distributed.

Treasurer's Report of August 2013

There were no questions regarding the August 2013 Treasurer's report. It was accepted as distributed.

Review of the September 5th Executive Committee Meeting:

Eric Callisto provided an update on the issues discussed during the September 5th Executive Committee meeting. He highlighted the following:

- The Executive Committee approved filing comments to the PAC concerning the draft language in the new Business Practices Manual that will outline the new OMS roles and obligations in planning in the MISO process.

Executive Director's Report

A written report was distributed prior to the meeting. Bill Smith highlighted the following:

- The upcoming OMS Annual Meeting;
- A request from the Midwest Governors Association (MGA) for OMS to co-sponsor an MGA electricity conference on October 30-31 in Kansas City. There is no expected work load or cost involved with the sponsorship. OMS would cover travel costs for any invited OMS Board members. OMS co-sponsorship of the conference was approved.

BUSINESS

1. MISO Advisory Committee

- The September 25th meeting was cancelled. The next meeting is in October.
- Hwikwon Ham presented the background and concerns on the Market Vision Principle survey that were developed by the Markets and Tariffs Work Group. It was agreed to allow the survey deadline on September 20th to expire without submitting anything, but have comments prepared by the Work Group to be approved by the Executive Committee on October 3rd and filed by the October 4th deadline.

2. MISO Planning Advisory Committee

- A written summary was distributed prior to the meeting. Eric Callisto highlighted the following from the summary:
  - The Nelson Dewey Out of Cycle Projects;
  - Summary of the BPM process for the OMS role in planning going forward.
- Jessica Govindan provided an update on the previous day's PAC meeting. She highlighted the following:
  - The MTEP '13 report was approved by the PAC, OMS abstained;
  - MISO is currently working on the developer selection process for implementing their competitive bidding process for certain projects. The Regional Planning WG will be following this issue;
  - MTEP '14 scope was discussed;
  - Overview of the interregional coordination efforts.

3. Receive Nominating Committee Report

- Eric Callisto was informed by the Chairman of the Wisconsin PSC that the commission will be holding a vote on the OMS representative from Wisconsin and that there will be a new commissioner from Wisconsin as the representative. Therefore, the OMS Nominating Committee slate is being withdrawn. The Nominating Committee will meet and rework the officer slate for voting at the Annual Meeting.

4. Action Item: OMS Draft Budget for 2014

- Bill Smith presented the final OMS Draft Budget for 2014 and took questions.

The budget was approved by acclamation.

5. Status Update: OMS Resources Assessment Project

- Brian Rybarik of MISO provided the Board with an update on the survey.

6. Update: Entergy Integration

Action Item: MISO Filing – 4th Advisory Committee Member for OMS

- Eric Callisto reviewed MISO's filing and asked if the Board wanted to file a brief intervention in support.

Ken Anderson moved to have Bill Smith file an intervention and short comment of support and vote by voice vote. Libby Jacobs seconded. The motion passed by unanimous voice vote.

7. Update: Eastern Interconnection Planning Process

- A written update was provided.
- Valerie Lemmie provided a verbal update as well.

Updates and Work Group Status Reports

Demand Response WG

- No report;

Transmission Cost Allocation WG

- Written report;

Markets and Tariffs WG

- Written report. Hwikwon Ham highlighted another survey MISO is conducting on the IMM's recommendations. States may respond individually;

Resources WG

- Written report; Don Neumeyer provided an update on slope demand curves before the October Board meeting. There are questions about the planning year not matching up to the EPA requirement;

Regional Planning WG

- Written report;

Governance and Budget

- No report;

Seams WG

- Written report; The next MISO/PJM meeting is September 20. Next MISO/SPP meeting is in November;

The open meeting of the OMS Board of Directors meeting adjourned at 2:00 pm CDT.

At 2:05 p.m. CDT, pursuant to OMS By-Laws, the following agenda items were discussed in closed session. Attendance was retaken to confirm the continuance of a quorum

Keith Berry, proxy for Collette Honorable, Arkansas
John Colgan, Illinois
Beth Roads, proxy for Kari Bennett, Indiana
Libby Jacobs, Iowa
Linda Breathitt, Kentucky
Noel Darce, proxy for Eric Skrmetta, Louisiana
Regis Gosselin, Manitoba
Sally Talberg, Michigan
Burl Haar, proxy for David Boyd, Minnesota
Robert Kenney, Missouri
Kirk Bushman, Montana
Phil Movish, proxy for Cynthia Hedge-Morrell, City of New Orleans
Richard Greffe, proxy for Ken Anderson, Texas
Eric Callisto, Wisconsin

Absent
Mississippi
North Dakota
South Dakota (Staff was on call with no proxy)

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

8. Briefing on Rehearing: FERC Docket ER11-4081: Special Board Meeting October 10

- The Ad Hoc group will continue work on the brief and distribute prior to October 3 with a vote to be held during a Special Board Meeting on October 10th.

9. MISO Formula Rate Protocols, EL12-35

Libby Jacobs moved to have Bill Smith file 2 week extensions in all of the dockets. John Colgan seconded. The motion was approved by voice vote with Manitoba abstaining.

10. OMS Intervention in NIPSCO 206 Complaint; EL13-88

John Colgan moved to approve an OMS vanilla intervention filing. Libby Jacobs seconded. The motion was approved by voice vote.

ADJOURNMENT

The closed meeting of the OMS Board of Directors meeting adjourned at 2:40 pm CDT.

OMS

Organization of MISO States
Report of the Treasurer
Dr. David C. Boyd, Minnesota Public Utilities Commission
to the
Board of Directors
Report for August 2013

CASH ON HAND

The beginning balance for the Wells Fargo Business Performance Savings Account on August 1 was $25,175.16. Interest earned for this month totaled $1.08 and there was a deposit of $150.00 from the sale of replaced computer server. The August 31, 2013 ending balance was $25,326.24.

The beginning book balance for the Chase Bank One Checking account on August 1 was $89,669.80. The total disbursements from the checking account for August 2013 amounted to $56,069.64. Deposits, interest and adjustments were $70,051.86. The unusual increase in total deposits for the month of August is equally offset in the disbursement total, and reflects correction of a July 2013 payroll error. As of August 31, 2013, the checking account bank balance was $111,857.21 (with 14 check payments outstanding) and the book balance was $103,652.02.

The total savings and checking account (book) balances as of August 31, 2013 is $128,978.26.

TREASURER'S REPORT
Organization of MISO States
August 31, 2013

Wells Fargo Business Performance Savings Account

Book Balance as of 7/31/13				**$ 25,175.16**
8/6/13	DEP	J. McManus - Sale proceeds from OMS retired server	$ 150.00	
8/31/2013	DEP	Interest on Savings	$ 1.08	
Business Performance Savings Account Balance at 8/31/2013				**$ 25,326.24**

Chase Bank One Commercial Checking with Interest

Book Balance as of 7/31/13				**$ 89,669.80**
8/5/13	DEP	Paychex - July payroll error return cks 534-535	$ 10,050.82	
8/9/13	ACH	Midwest ISO	$ 60,000.00	
8/30/13	DEP	Interest on checking	$ 1.04	
		Total Deposits		**$ 70,051.86**

Checks and Charges

Date	Check #	Descriptions		
8/12/13	EFT	Paychex Invoice (July P/R)	$ 120.55	
8/19/13	E-Pay	Chase Bank Card	$ 2,716.34	
8/13/13	4409	VOID - State of Iowa (Lost check; Void & Reissue pymt chk #4441)	$ (1,052.15)	
8/13/13	4410	VOID - IUB (Lost check; Void & Reissue pymt chk #4442)	$ (947.76)	
8/6/13	4437	B. Smith - Travel Exp. 7/21-7/23	$ 24.25	
8/6/13	4438	MN PUC - H. Ham travel exp. 7/17-7/18	$ 1,109.85	
8/6/13	4439	W. Bokram - Travel Exp. 7/17-7/18	$ 536.61	
8/6/13	4440	WI PSC - D. Neumeyer - travel exp. 6/17-6/20; 7/17-7/18	$ 631.15	
8/13/13	4441	State of Iowa - J. McGurk - travel exp. 6/17-6/20 (Reissue Ck#4409)	$ 1,052.15	
8/13/13	4442	IUB - L. Jacobs - travel exp. 6/17-6/20 (Reissue Ck#4410)	$ 947.76	
8/19/13	4443	100 Court Investors - Office Rent & Pkg, Op. exp chrg	$ 1,724.03	
8/19/13	4444	Combined Systems Technology - new server;cloud storage; toner	$ 9,660.84	
8/19/13	4445	Diversified Management Systems (web updates & hosting)	$ 316.25	
8/19/13	4446	B. Smith - Travel Exp. 8/12-8/13; WiFi	$ 71.99	
8/19/13	4447	Conference Suite - July conf. calls (BofD, Exec., etc.)	$ 763.44	
8/21/13	4448	Customized Energy Solutions - July subscription	$ 3,500.00	
8/21/13	4449	MN PUC - H. Ham travel exp. 8/7-8/8	$ 1,377.01	
8/21/13	4450	CenturyLink - office phone, fax, DSL, LD calls	$ 231.96	
8/21/13	4451	R. Rismiller - Travel Exp. 7/11-7/12	$ 351.66	
8/29/13	4452	B. Smith - Travel Exp. 8/20-8/22	$ 9.50	
8/29/13	4453	C. Devon - Travel Exp. 8/20-8/22	$ 1,105.38	
8/29/13	4454	WI CUB - K. Loehr - Travel Exp. 8/20-8/22	$ 362.05	
8/29/13	4455	K. Bennett - Travel Exp. 8/12-8/13	$ 616.64	
8/29/13	4456	L. Kayser - Advance for Oct. 2013 travel exp.	$ 800.00	
8/29/13	4457	W. Bokram - Travel Exp. 8/20-8/22	$ 766.14	
8/29/13	4458	WI PSC - L. Sakk - travel exp. 8/20-8/22	$ 310.61	
8/5/13	EFT	Paychex - July payroll error - reissue cks 540-541	$ 10,050.82	
8/30/13	EFT	Paychex Payroll net pay (ck.nos. 542-544)	$ 10,174.64	
8/30/13	EFT	Paychex Payroll Taxes	$ 5,292.36	
8/30/13	545	MG Trust (401(k))	$ 2,339.83	
8/30/13	546	MG Trust (401(k))	$ 1,013.34	
8/30/13	547	MG Trust (401(k))	$ 92.40	
Total Disbursements - Checks and Charges				**$ 56,069.64**

CHECKING ACCOUNT BALANCE at 8/31/13	**$ 103,652.02**
TOTAL Certificates of Deposit, Savings and Checking Account Balances as of: 8/31/13	**$ 128,978.26**

CHASE CHECKING ACCOUNT RECONCILIATION

Bank Balance 8/31/13			**$**	**111,857.21**
Less Checks Outstanding				
	Check #			
6/17/13	**4375**	**InfoMax Office**	**$**	**49.40**
8/19/13	**4445**	**Diversified Management Systems**	**$**	**316.25**
8/19/13	**4446**	**B. Smith**	**$**	**71.99**
8/21/13	**4451**	**R. Rismiller**	**$**	**351.66**
8/29/13	**4452**	**B. Smith**	**$**	**9.50**
8/29/13	**4453**	**C. Devon**	**$**	**1,105.38**
8/29/13	**4454**	**WI CUB - K. Loehr**	**$**	**362.05**
8/29/13	**4455**	**K. Bennett**	**$**	**616.64**
8/29/13	**4456**	**L. Kayser**	**$**	**800.00**
8/29/13	**4457**	**W. Bokram**	**$**	**766.14**
8/29/13	**4458**	**WI PSC - L. Sakk**	**$**	**310.61**
8/30/13	**545**	**MG Trust (401(k))**	**$**	**2,339.83**
8/30/13	**546**	**MG Trust (401(k))**	**$**	**1,013.34**
8/30/13	**547**	**MG Trust (401(k))**	**$**	**92.40**
Total Outstanding Checks			**$**	**8,205.19**
Book Balance 8/31/13			**$**	**103,652.02**

OMS Treasurer Report for Month of August 2013

Wells Fargo Business Performance Savings Account

Beginning Balance	25,175.16	
Deposit	150.00	
Interest Earned this Month	1.08	
Ending Balance		25,326.24

Chase Bank One Checking Account

Beginning Balance	89,669.80	
Total Disbursements	(56,069.64)	
Deposits/Interest/Adjustments	70,051.86	
Ending Book Balance		103,652.02
Bank Balance	111,857.21	
Outstanding Deposits	0.00	
Outstanding Checks	(8,205.19)	
Book Balance	103,652.02	

Total Savings & Checking Balances as of August 31, 2013 **128,978.26**

14 checks outstanding at 8/31/13

OMS
Organization of MISO States

100 Court Avenue, Suite 315
Des Moines, Iowa 50309

Phone: 515-243-0742
Fax: 515-243-0746
www.misostates.org

To: OMS Board of Directors

From: William H. Smith, Jr.
Executive Director

Date: September 17, 2013

Re: Notes on Agenda Items
September 19 Board Meeting

Some late-breaking items have been added to the agenda for this week's Board meeting. Brief explanation may help explain them for easier consideration.

Item 6: On September 16, 2013, MISO filed tariff sheets to implement the fourth Advisory Committee seat for the state regulatory sector, reserved to the Southern Region. The recommendation is that the Board approve intervention and approve in principle a supportive comment to circulate for electronic confirmation of the vote.

Item 9: The formula rate compliance filings were made on September 13. Any comments will be due about October 4, before our next meeting. The recommendation is that we request a two week extension of the comment date to allow for careful review of the filings and to prepare comments.

Administrative Item: The Midwest Governors Association has organized a conference October 30-31 in Kansas City called *Electrifying the Economy: Utilizing the Grid to Strengthen the Midwest's Competitive Advantage*. The MGA invited OMS to co-sponsor the event. OMS co-sponsored a similar meeting last year; there is no cost or other burden to this role. The recommendation is to approve co-sponsorship.

Organization of MISO States

100 Court Avenue, Suite 315
Des Moines, Iowa 50309

Phone: 515-243-0742
Fax: 515-243-0746
www.misostates.org

OMS Executive Director Report
September 12, 2013

FERC Orders and Filings

1. On August 16, MISO filed a Cost of New Entry value for the Southern Region Zones. ER13-2187.
2. On August 3, MISO submitted its annual calculation of the Cost of New Entry value for each Local Resource Zone in the MISO Region pursuant to Section 69A.8 (Calculation of CONE and Net CONE) of Module E-1 (Resource Adequacy) of the Tariff. Docket No. ER13-2310
3. On August 15, MISO filed an Operations Reliability Coordination Agreement ("ORCA") among itself and Associated Electric Cooperative Inc.; Louisville Gas and Electric Company; Kentucky Utilities Company; PowerSouth Energy Cooperative; Southern Companies; the Southwest Power Pool and the Tennessee Valley Authority to support the reliable integration of the MISO South Region into the MISO Balancing Authority Area. Docket No. ER13-2162.
4. On August 30, MISO filed a Transmission Constraint Demand Curve to price a constraint that cannot be managed by the Security Constrained Economic Dispatch engine. The TCDC will be applied to all MISO market transactions that are not managed by the market-to-market congestion management protocol between MISO and an adjacent RTO or ISO. Docket No. ER13-2295.
5. On September 9, MISO submitted a compliance filing in Order No. 719. Docket Nos. ER12-1265 and ER09-1049.
6. On August 4, MISO submitted its proposal to defer for future recovery certain costs associated with the integration of Cleco Power, South Mississippi Electric Power Association, Lafayette Utilities System, and East Texas Electric Cooperative. Docket No. ER13-2321.
7. On August 12, MISO submitted a compliance filing revising Section 1.597a ("Second Planning Area"), Attachment FF-6 ("Transmission Expansion Planning and Cost Allocation for Second Planning Area's

Transition"), and Attachment MM ("Multi-Value Project Charge (MVP Charge)") of MISO's Tariff regarding the transition and integration of Entergy Corporation and its Operating Companies into MISO. Docket No. ER12-480-006

8. On September 11, Northern Indiana Public Service Company filed a complaint against MISO and PJM, arguing that cross-border planning, even after Order 1000, is not just and reasonable. EL13-88.
9. On August 21, OMS, along with other parties, filed comments on MISO's Regional Order 1000 filing. Docket No. ER13-187.
10. On September 9, OMS, along with other parties, filed comments on MISO's Interregional Order 1000 filings, Docket Nos. ER13-1938, ER13-1937 (SPP); ER13-1943, ER13-1944, ER13-1924 (PJM); ER13-1923, ER13-1930, ER13-1940, ER13-1945 (SERTP).
11. On August 23, OMS requested an extension of the briefing dates with respect to Minimum Offer Pricing Rules. The extension was granted on August 30. Initial briefs are due October 11, Replies November 25. Docket No. ER11-4081.

OMS / MISO Activity

1. OMS presented a paper for the August Advisory Committee Hot Topic discussion.
2. OMS gave comments to MISO on proposed Business Practices Manuals with respect to the OMS Committee and its role in the MISO planning process.
3. On August 20, the OMS and MISO distributed a Resource Assessment Survey. Responses, due from load-serving entities by September 20, will be processed first by MISO.

Public Relations

1. Presentations:
   - N/A
2. Pending speaking/meeting invitations:
   - Bill Smith has been invited to speak at a EUCI conference on Transmission Expansion in the Midwest on October 17.
   - The Black Sea Regulatory Initiative will hold its next workshop Oct 1-4 in Kiev, addressing cross-border trading issues, energy efficiency, and market monitoring principles.

- Bill Smith has been invited to speak at a EUCI conference on capacity markets on November 7.

Upcoming MISO Filings

09/13/2013	EL12-35	MISO to file Attachment O Rate Formula Protocol	143 FERC 61,149	
09/__/2013	ER12-1266	Order 745 compliance filing		

Upcoming dates:

- Next regular OMS Board of Directors meeting: October 17, 2013, at 1:00 pm CT
- Possible special Board meeting, October 10, 2013 at 1:00 CT
- Next OMS Executive Committee meeting: October 3, 2013, at 1:00 pm CT
- Future OMS Board meetings: October 17, November 14
- Future OMS Executive Committee meetings: October 31, November 26 (Tuesday)
- Next OMS meeting with IMM: October 2 at 2:30 CT and October 22, during Annual Meeting
- OMS Annual Meeting, Carmel, October 22, 9:00 – 2:45

OMS/States' Opportunity to Respond to Proposed MISO Market Enhancement Strategy

Markets and Tariffs Work Group, 9/19/13

OMS/State Feedback Opportunities

- Market Vision Initial Survey on Focus Areas: Due *September 20, 2013* (Continuation of August survey) M&TWG urged to vote.
- Comments on Principles and Focus Areas: Due *October 4, 2013*
- Market Vision Second Survey: Due TBA
- OMS can provide comments on MISO's draft Principles and/or Focus Areas.
- Markets and Tariffs Work Group is seeking the direction from the Board.

Market Vision

- Foster an economically efficient electric system while maintaining/improving reliability of the bulk electric system.

Guiding Principles

- Support an economically efficient electric system that maximizes value to customers
- Develop transparent market prices reflective of marginal system cost, and cost allocation reflective of cost-causation and service beneficiaries
- Enable market participants to make efficient operational and investment decisions
- Maintain/improve reliability within the MISO footprint and interconnection

Focus Areas

- Enhancing Unit Commitment and Economic Dispatch
- Maximizing the Value of Exiting Transmission Infrastructure
- Streamlining Market Processes to Reduce Transition Costs
- Increasing Efficiency of Prices during Scarcity Events
- Increasing Efficiency of the Energy Market Seams
- Enhancing the Efficiency of Investments in Renewables and Supporting Infrastructure
- Enhancing eh Efficiency of Investments for Resource Adequacy

Potential issues

Market Vision and Guiding Principles are very high level and therefore perhaps too general to be meaningful by themselves.

- Efficient electric system: This does not and cannot address allocation of the efficiency gains and therefore says little about ratepayer costs and risks relative to other industry sectors. MISO can affect this allocation to the extent that bias is built into MISO processes and markets.

- Transparent market prices: One interpretation of MISO's view on transparency is to turn a market into a MISO-run centralized market to make it more transparent from MISO's view. This could result in a centralized generation capacity auction. Are OMS states on agreement with this issue?

  Efficiency is defined as a measured means towards a specific task or purpose, and is open to interpretation when the target is unknown, such as the price of demand (value of lost load) during scarcity events, or the price for capacity demand (what load would pay) for resource adequacy constructs. When substitutes are instead used, the efficiency is called into question. For example, in capacity markets, generation costs are used to determine prices as a substitute for demand prices in the demand curve.

- Marginal system cost: Is it transmission cost, generation cost, or both combined?

- Efficient investment decisions: Does it include generation investment? Are lowest costs that are not considered by MISO as investment costs also considered efficient? Are OMS states on agreement with this issue?

- Reliability: Does it include generation reliability? By stating reliability separately, does MISO intend to treaty reliability as beyond economics? Instead of increasing reliability, doesn't MISO mean to meet existing reliability thresholds at a lower cost? Are OMS states on agreement with this issue?

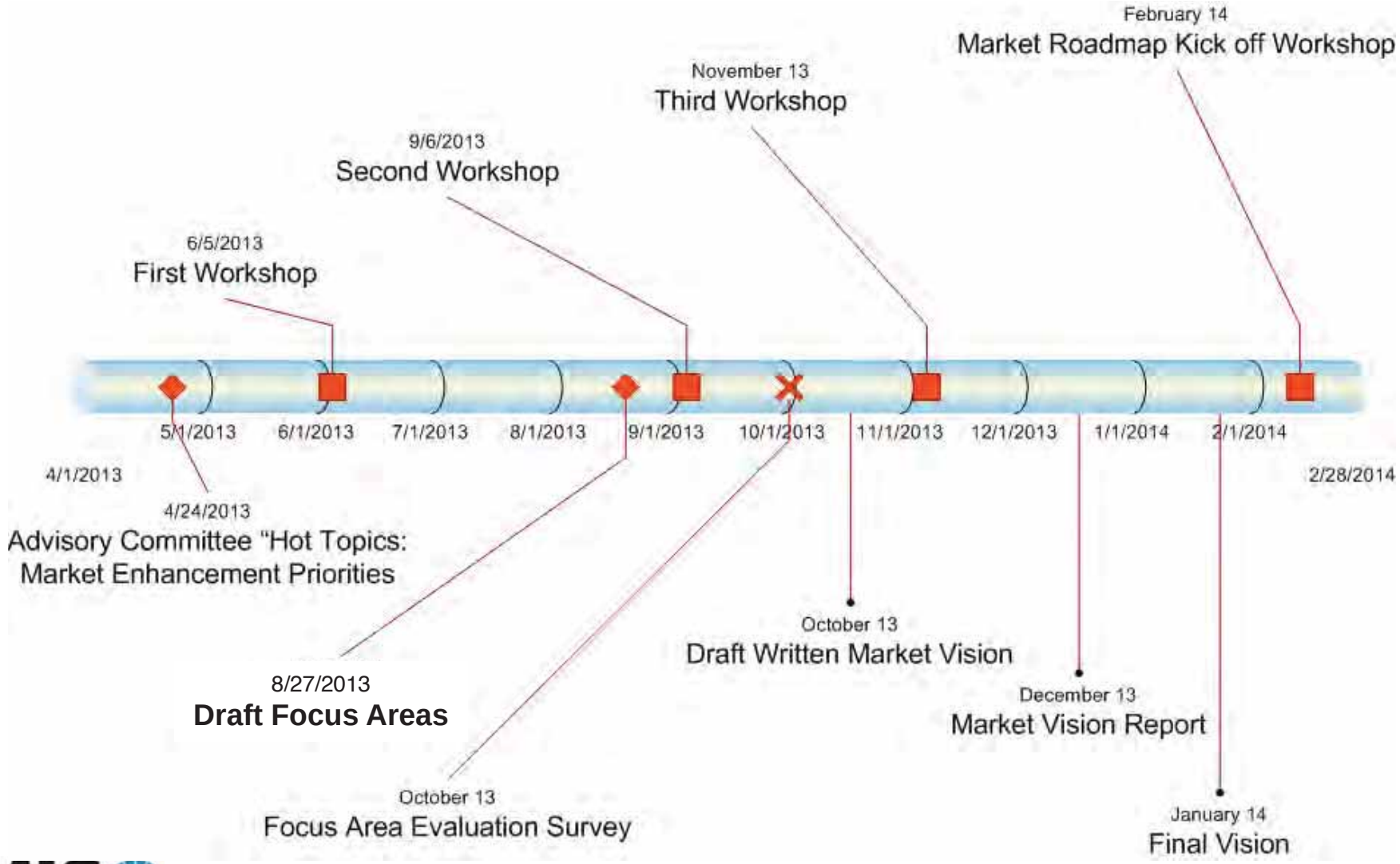
Action Items

- **MISO is actively looking for OMS input.**
- Should OMS act as a group or leave it to individual states?

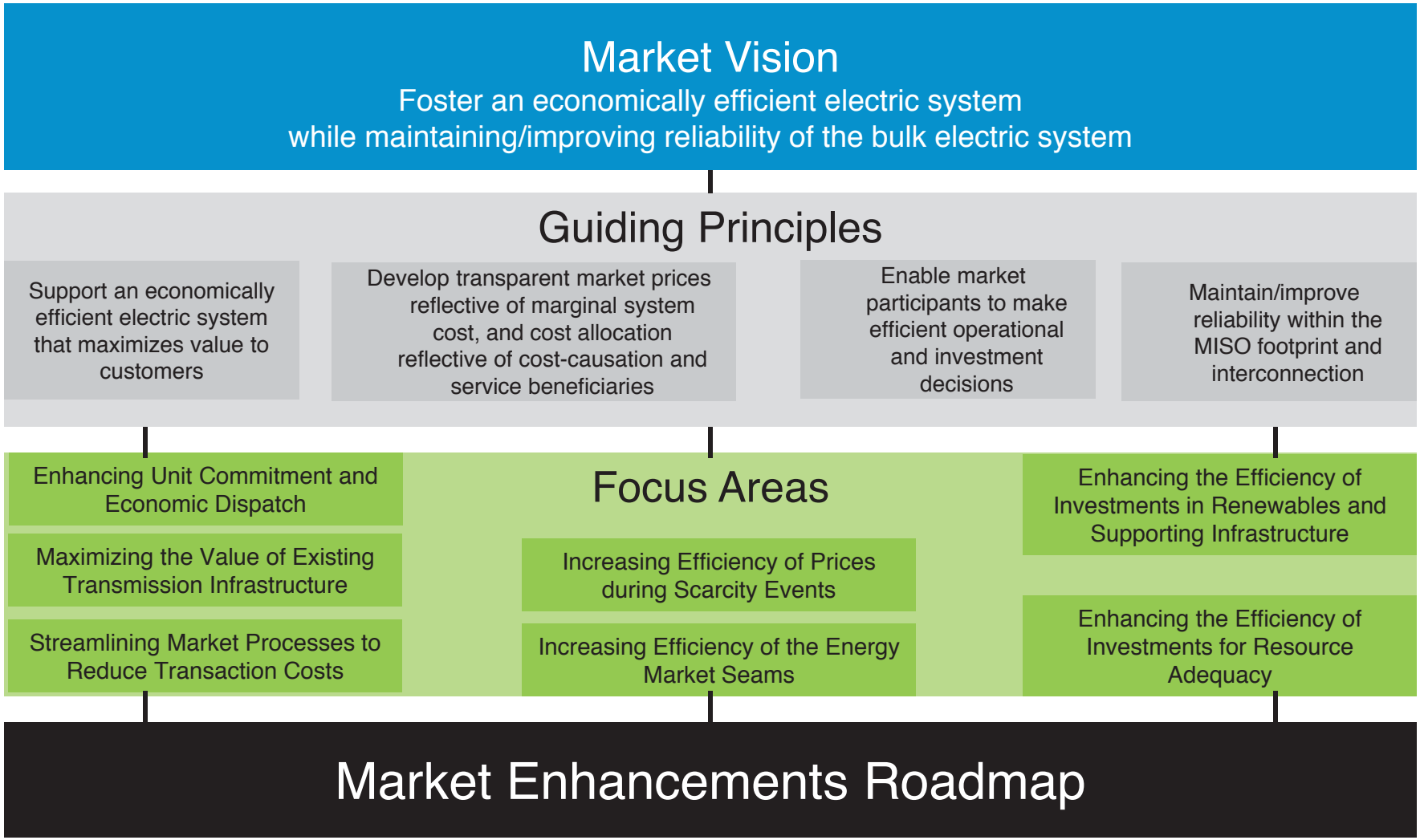
MISO Market Vision Workshop

September 6, 2013

Detailed Timeline



Proposed MISO Market Enhancement Strategy



OMS Response to MISO Draft BPM Language Defining the OMS Role in Transmission Planning

September 11, 2013

The Organization of MISO States (OMS), through its Planning Advisory Committee representative, appreciates the effort that MISO has put towards drafting this BPM language. An ad hoc group of OMS staff has worked with MISO during this drafting process, and thus OMS's comments are minimal.

In general, OMS believes the BPM draft captures the essence of the new planning responsibilities and opportunities granted to OMS through the tariff and TOA change. OMS worked hard to secure the changes, and the BPM provides the appropriate level of detail to ensure that MISO, OMS, and other MISO stakeholders understand the various timelines and obligations associated with the new authorities.

OMS has three minor editorial suggestions:

1) Page 3, 6 lines from the bottom – The phrase"(b) state-by-state, or local resource zone-by-local resource zone, as appropriate, project or project portfolio costs and benefit analyses with respect to . . . ." should be reordered to read "(b) state-by-state, or local resource zone-by-local resource zone, project or project portfolio costs and benefit analyses, as appropriate, with respect to . . . ." As reordered, the phrase "as appropriate" properly provides MISO necessary flexibility in the kind of cost/benefit analysis it provides.

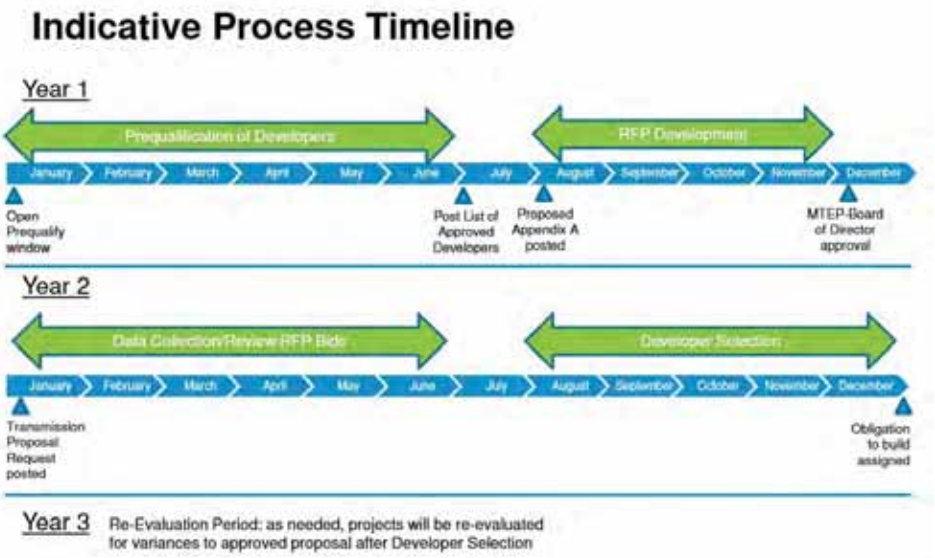
2) Page 4, 7 lines from the bottom – The phrase "within no less than 20 days" should be rewritten as "within no more than 20 days". The rewrite captures the idea that OMS has no more than 20 days to makes its reconsideration request, instead of the current draft which would not allow OMS to make that request until at least 20 days have passed since the posting of the relevant milestone.

3) Page 5, first line – The word "re-convener" should be "reconvene".

PAC Meeting Summary – 8-28-2013

ROFR Elimination Implementation: (J. Miland)

- Compliance filings – first filing submitted 10/25/12, FERC Order received 3/22/2013, further compliance filing 7/22/13; MISO comments due 9/5/2013 to address additional comments
- If developer wants to submit bid, must be prequalified as developer; this process will start in January 2014, MISO expects to have good idea of eligible projects by July 2014, RFP process will go through fall 2014, and then MISO will evaluate bids, select a developer for each project, and will do a re-evaluation of each project
- Timeline (p. 5-6) – development of prequalification process and BPM in Fall 2013; B. McKee clarified that PAC will want to be involved with each component of this



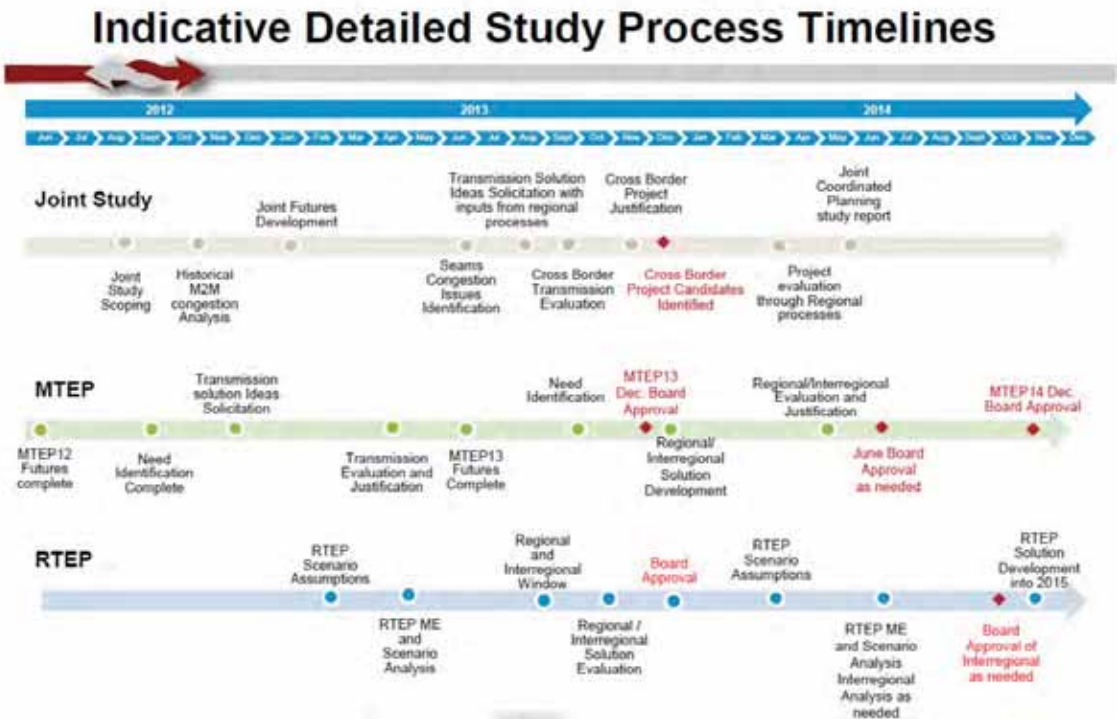
Southern Integration Update: (J. Miland)

- Currently 32 new market participants; seven transmission zones, 10 TOs
- MISO conducted and conducting a number of Southern Integration Workshops
- RA Capacity Auction – mock auction for new southern participants and actual live capacity auction for all participants later this year (no date set for this yet)
- MISO on track with everything for 12/19/2013 date for southern integration; summary timeline for TOs (slide 11); timelines for other entities also exist; ENTERGY and other market participants will participate in MTEP 14 and going forward

MISO/PJM Joint Study Update: (L. Hecker)

- Will conduct joint study to evaluate cross border transmission issues and identify opportunities for transmission expansion; specifically seeks to identify and evaluate projects eligible for cost sharing as CBMEPs
- Joint study will include stakeholder input through MISO/PJM IPSAC
- Narrowed to 33 congestion issues on the seams to be analyzed

- Joint market efficiency planning analysis – identified three futures and presented results of preliminary analysis of futures; congestion results consistent with assumptions; no decision made yet on which future(s) to apply for justification for cross border projects
- MISO started review on 8/22/1013, but will continue to accept stakeholder input until 9/26/2013 – when PJM's RTEP window closes
- Joint planning study report expected in June 2014
- Next IPSAC meeting will be rescheduled for most likely first week of October



MTEP13 Report Overview: (R. Pulkrabek)

- Lot of emphasis on resource adequacy (increased for this MTEP 13) and impact of EPA regs
- Interregional planning through Order 1000 given more emphasis
- Unique to this MTEP is addition of new members
- Notable findings – 311 new projects for Appendix A inclusion at $1.49 billion of transmission investment; one new cost-shared project – Generator Interconnection Project worth $7.9 million will have $3.95 million allocated to load, with remainder to generators (three GIPs total for approx. $10 million)
- 3-7 GW capacity shortfall as early as 2015 and 2016
- Reorganized MTEP 13 into four "books"
    - Book 1 – Transmission Plans
        - GIPs – number of requests and size of queue down since queue reform
        - MEPS (Market Efficiency Planning Study) – three potential MEP candidates identified and will be moved to Appendix B for MTEP 13 planning cycle
    - Book 2 – RA

        - PRM declined from 16.7% in planning year 2012 to 14.2% in 2013
        - Potential shortfall of 5 GW in 2016
        - 10.7 GW of retirements and suspensions by 2016
    - Book 3 – Policy Landscape Studies
        - Northern Area Study
        - Manitoba Wind Synergy Study
        - MISO performing economic studies in South region
        - MISO-PJM Joint Planning Study
    - Book 4 – Regional Energy Info
        - New MTEP book – includes information that didn't really fit into rest of report; includes MISO fast facts, electricity prices, generation, and load
        - MISO appreciates feedback on whether this information is useful
    - Appendices – A-F
    - MTEP13 Approval Milestones – MISO to post 3rd draft on 8/30; MISO BOD meeting to consider approval on 12/12/2013
    - Substantive feedback form (located on MTEP13 webpage) – submit to rpulkrabek@misoenergy.org by 9/9/2013

Nelson Dewey Out of Cycle Projects: (S. O'Brien)

- ATC & ITCM Nelson Dewey Retirement Upgrades – motion was postponed to today from two weeks ago after questions raised related to analysis and PAC process
    - ATC Upgrades = $8.9 million; MISO recommends for inclusion in MTEP13 App A
    - ITCM Upgrades = $31.5 million; MISO recommends for inclusion in MTEP13 App A
    - DPC had initially objected to Lore-Turkey River-Stoneman 161 kV line rebuild, but now supports after questions answered
- Motion to the Planning Advisory Committee (PAC) – August 28, 2013 – "The Planning Advisory Committee (PAC) recommends that the Nelson Dewey study recommended Out of-Cycle review projects be implicitly approved and included in Appendix A for MTEP 13." (Passed – 4.5 in favor, 0 against and 3.5 abstentions – state regulatory, 0.5 power marketer, public consumer, and end-user sectors.)

BPM Update – OMS Role in Planning Process: (M. Tackett)

- OMS Role in Transmission Planning – Section 2.8 – OMS may participate in MISO transmission planning process throughout each MTEP planning cycle; specifically – may provide input and feedback on: planning principles, MTEP scope, MTEP futures, MTEP process issues, MTEP final recommendations
- For any project eligible for regional cost allocation under Attachment FF being recommended for App A that is not a GIP, OMS Committee may, with 66% (or greater) majority vote by the OMS Board, request project reconsideration
- MISO will respond to OMS Committee, PAC, and System Planning Committee of the and have opportunity to provide comments
- **Provide feedback to MISO on this Draft language – deadline for submitting comments approx. two weeks from today (9/11/2013); may be special PAC call between September and October meeting or will be taken up at October PAC meeting**

EIPC Update: (A. Solomon)

- Still looking for feedback on non-grant EIPC stakeholder process – due 9/3/2013
- Seeking proposed scenarios and input on document – due 9/12 but prefer ASAP
- Clarifying questions on document due 10/12

ENGCTF Update: (L. Franks)

- Preliminary results available for Phase III Gas study; MISO region in a little better shape than other RTOs
- Nearly completed most of issue papers to this point in time; recommendation to steering committee that if any further discussion on cost/benefit of adjusting clearing time of MISO market, MSC take it over
- ENGCTF to present at MSC in October

Committee Updates:

- Planning Subcommittee (R. Kloecke) – need feedback for study scope for MTEP 14; will be looking at MTEP market project database and cleaning it up
- Interconnection Process Task Force (R. Oye) – did not meet so do not have report, but reminder stakeholder comments due September 5th
- Loss of Load Expectation Working Group (J. Beattie) – will meet 11/4 abutting SAWG meeting – need stakeholder feedback on whether possible for LOLE and SAWG to meet same week

New Business:

- None

Next meeting: September 18, 2013

Link to Materials

OMS
Organization of MISO States

100 Court Avenue, Suite 315
Des Moines, Iowa 50309

Phone: 515-243-0742
Fax: 515-243-0746
www.misostates.org

REPORT OF THE OMS NOMINATING COMMITTEE

Nominations for 2014 Officers

President	Eric Callisto	Wisconsin
Vice-President (MISO AC)	Libby Jacobs	Iowa
Secretary (MISO AC)	Linda Breathitt	Kentucky
Treasurer	Colette Honorable	Arkansas
At-Large (MISO AC/PAC)	Sally Talberg	Michigan
Immediate Past President	Kari Bennett	Indiana

Nominating Committee for 2014:
Eric Callisto – Wisconsin
Libby Jacobs – Iowa
David Boyd - Minnesota

Submitted by the 2013 Nominating Committee:
Kari Bennett – Indiana
Eric Callisto – Wisconsin
Linda Breathitt – Kentucky

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OMS Budget 2014 with actuals through June 2013

C-1 = Enhanced Governance and Entergy State membership

C-2 = Two FTEs: Engr and Econ

Organization of MISO States

2014 OMS Budget *

with contingency options: C-1 and C-2

		Budget 2011	Actual 2011	Budget 2012	Actual 2012	Budget 2013	C-1 add to budget 2013	C-2 add to budget 2013	Actuals 2013 through June	Budget 2014
1	Ordinary Income/Expense									
2	Income									
3	Refund - Insurance				815					
4	MISO Grant	600,000	**375,000**	600,000	430,000	700,000	0	250,000	385,173	840,000
5	Interest - Checking Acct and Savings		**32**		22				10	
6	Miscellaneous revenue	1,500	**962**		2,834				828	
7	Total Income	601,500	**375,978**	600,000	433,671	700,000		250,000	386,011	840,000
	Cash carried forward from prior year	98,255	**171,312**	120,000	129,461	0			42,941	43,000
	Total funds available	699,755	**547,290**	720,000	563,132	700,000		250,000	428,952	883,000
8	Expense									
9	Personnel Compensation and Benefits									
10	OMS payroll and retirement matching funds									
11	Compensation - Exec Director	147,000	**136,968**	153,000	142,877	161,000			71,232	161,000
12	Compensation - Admin Asst	79,000	**62,185**	83,000	68,473	88,000			32,465	88,000
13	Compensation - additional personnel	135,000	**14,008**	135,000	15,311	15,000		220,000	7,268	145,000
14	Other Personnel Expenses									
15	Staff Training	2,000	0	2,000	0	2,000		6,000	0	8,000
16	Paychex Accounting Fees	1,600	**1,512**	1,600	1,667	1,800		1,000	649	2,000
17	Total Personnel Expenses	364,600	**214,673**	374,600	228,328	267,800		227,000	111,614	404,000
18	Office Expenses (non-personnel)									
19	Computers	6,000	**1,215**	6,000	4,217	8,000		5,000	2,356	13,000
20	Computer support	10,000	**4,828**	8,000	4,679	10,000			5,357	11,000
21	Web Development & Site Hosting	10,000	**6,764**	1,000	1,786	2,000			463	2,000
22	Furniture/Office Equipment	1,500	**42**	1,500	0	1,500		3,000	0	4,500
23	Rent, parking, other occupancy	20,500	**20,477**	20,500	20,745	21,000		10,000	10,375	28,000

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OMS Budget 2014 with actuals through June 2013

24	Books, subscriptions, reference	3,000	**2,225**	3,000	30,315	46,000			40,250	46,000
25	Equip rental & maintenance									
26	Printer/Copier/Fax Rental	1,200	**500**	2,500	0	2,500			0	2,500
27	Postage, shipping, delivery	1,000	**715**	1,000	676	1,000			220	1,000
28	Printing & copying	1,000	**720**	1,000	374	1,000			142	1,000
29	Supplies	2,000	**1,243**	2,000	2,558	2,000		1,000	639	2,500
30	Phone, Fax, DSL	3,500	**3,446**	3,500	5,061	4,500		2,500	2,064	6,000
31	Miscellaneous Operating Expense		0		943	0			0	0
32	Total Office Expenses (non-personnel)	59,700	**42,175**	50,000	71,354	99,500		21,500	61,866	117,500
33	Organizational (corp) and Insurance Expenses									
34	Professional, Audit, Other	5,000	**5,753**	5,500	5,577	5,500	1,000		5,113	6,500
35	General Office Insurance	2,600	**2,404**	2,600	2,876	2,600	1,000		25	3,000
`	Workers' Comp	600	**2,330**	0	0	1,000		1,000	38	2,000
37	Directors & Officers Insurance	3,500	**3,324**	3,500	3,567	3,500	1,000	1,000	0	4,000
38	Total Organization and Insurance Expense	11,700	**13,811**	11,600	12,020	12,600	3,000	2,000	5,176	15,500
39	Consultants / DC Counsel	80,000	**9,062**	60,000	0	60,000		-40,000	9,225	20,000
40	OMS - meetings and training									
41	Officers	4,000	**3,345**	4,000	4,440	5,000			0	5,000
42	Exec Dir	13,000	**17,002**	21,000	15,352	21,000	5,000		0	26,000
43	Other Staff	2,000	**275**	2,000	120	2,000		10,000	0	12,000
44	Total OMS Officer and Staff Expenses	19,000	20,622	27,000	19,912	28,000	5,000	10,000	-	43,000
45	MISO Meeting Expenses									
46	MISO work groups and committees	30,000	**16,723**	30,000	29,241	30,000	10,000		16,117	35,000
47	MISO BOD, AC	18,000	**35,335**	25,000	60,908	40,000	15,000		18,581	55,000
48	Consumer Advocate Travel	30,000	**7,344**	30,000	11,947	30,000			4,490	30,000
49	Exec Dir (MISO AC,BOD)	8,000	**7,107**	10,000	10,683	15,000		6,000	14,871	30,000
50	Total MISO Meeting Expenses	86,000	**66,509**	95,000	112,779	115,000	25,000	6,000	54,059	150,000
51	OMS Meetings									
52	OMS Annual Meeting									
53	Director attendance expense	25,000	**19,562**	30,000	22,673	30,000	8,000	2,000	0	30,000
54	Annual Meeting Location Costs	2,500	**3,728**	2,500	2,443	3,000			0	3,000

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OMS Budget 2014 with actuals through June 2013

55	Total OMS Annual Meeting	27,500	**23,290**	32,500	25,116	33,000	8,000	2,000	0	33,000
56	Regular OMS BOD Meeting									
57	Regular BOD Mtg Location Costs	4,000	**2,723**	4,000	4,464	4,000			0	4,500
58	Regular BOD Meeting attendance expe	20,000	**2,920**	20,000	6,157	20,000	5,000		1,760	10,000
59	Total Regular OMS BOD Meeting	24,000	**5,643**	24,000	10,621	24,000	5,000		1,760	14,500
60	OMS Executive Committee Meeting									
61	OMS Exec Com Mtg attendance expens	8,000	**415**	8,000	6,354	8,000			2,910	8,000
62	OMS Exec Comm - Meeting Location	3,000	0	3,000	4,467	4,000			0	4,000
63	Total OMS Executive Committee Meeting	11,000	**415**	11,000	10,821	12,000			2,910	12,000
64	Conference Calls	12,000	**6,980**	7,000	10,176	9,000	4,000		6,387	14,000
65	OMS Work Group Meetings - attendance ex	12,000	0	5,000	0	5,000	1,000		0	6,000
66	OMS Work Group meeting - location costs	-	0	0	0	0			0	0
67	MWDRI meetings - attendance exp	-	0	0	0	0			0	0
68	MWDRI meetings - location/call costs	-	0	0	0	0			0	0
69	FERC/DOE Tech Conference - attendance e	10,000	0	8,000	1,465	8,000		2,000	0	6,000
70	OMS Technical Training	25,000	**18,639**	30,000	16,335	30,000	12,500	4,000	44,928	98,000
71	Technical training location costs	10,000	0	10,000	0	10,000			0	4,000
72	Total OMS Meeting and Training Expenses	236,500	142,098	249,500	207,225	274,000	60,500	24,000	110,044	380,500
73	Total Expenses	752,500	**421,819**	745,700	518,927	713,900	63,500	234,500	297,925	937,500
74	Operating surplus of funds available over expenses	(52,745)	**125,471**	-25,700	**44,205**	-13,900	-63,500	15,500	131,027	-54,500
75	Depreciation allowance									

Note: The September 1 draft adds $48,000 for technical training (Line 70) and software costs for EGEAS planning software for OMS members.

***Budget approved by the OMS Board of Directors September 19, 2013**

Date: September 18, 2013
From : Brian Rybarik, MISO
RE: OMS-MISO Resource Assessment Survey 9/19 Update

A quick update on the OMS-MISO Resource Assessment Survey, here are the key points:

- To date, we have received responses from a total of **53 entities (of the 145 we sent the survey to),** or **approximately 37%.** Please note that several of the 145 entities serve either very small or no load in the footprint (i.e., they are accounted for in a separate LSE's forecast).
- The responses so far represent approximately **61 GW of load, of approximately 128 GW of total load** (the total amount includes the MISO South Region, which is included in this survey). This means the responses account for **approximately 48% of the load.**
- We have heard from 2 LSEs (Consumers Energy and Xcel) that they plan to submit responses after the 9/20 deadline.
- Given the deadline date of 9/20 for responses, this response rate appears to be encouraging.

The goal continues to be obtaining the highest possible response rate to this survey. This goal may require some additional efforts by OMS and MISO to encourage responses from LSEs that do not respond by the 9/20 date. MISO is committed to continuing our collaboration on this assessment survey, and are ready to provide additional assistance in achieving the goal of a high response rates.

Again, I plan to be on the OMS Board call tomorrow and will be prepared to present this information and/or be available to assist in answering any questions that may arise. I will await your instructions if you want me to participate or not .

In the meantime, let me know if you have any questions about the survey status in advance of tomorrow's meeting.

Thanks,

Brian Rybarik
MISO
608-354-3659

Michael L. Kessler
Assistant General Counsel
Direct Dial: 317-249-5290
Email: mkessler@misoenergy.org

September 16, 2013

VIA ELECTRONIC DELIVERY

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Re: Midcontinent Independent System Operator, Inc.'s
Filing to Change the Composition of the Advisory Committee
Docket No. ER13-____-000

Dear Secretary Bose:

Pursuant to Section 205 of the Federal Power Act ("FPA"), 16 U.S.C. § 824d, Part 35 of the Federal Energy Regulatory Commission's ("FERC" or "Commission") regulations, 18 C.F.R. § 35, *et. seq.* the Midcontinent Independent System Operator, Inc. ("MISO") respectfully submits this filing proposing revisions to the Agreement of Transmission Facilities Owners to Organize the Midcontinent Independent System Operator, Inc., a Delaware Non-Stock Corporation ("Transmission Owners Agreement"). The proposed revisions to the Transmission Owners Agreement add a representative for the state regulatory authorities sector of the MISO Advisory Committee and specify that one of the four proposed state regulatory authorities' representatives will be a member who is a representative of either the Arkansas Public Service Commission ("APSC"), City of New Orleans ("CNO"), Louisiana Public Service Commission ("LPSC"), Mississippi Public Service Commission ("MPSC") or Public Utility Commission of Texas ("PUCT").

I. BACKGROUND

In May of 2011, the Entergy Operating Companies[1] (collectively "Entergy") announced their intent to integrate into MISO. Following this announcement, Entergy initiated change of control proceedings with jurisdictional retail regulatory authorities[2] to transfer functional control of transmission assets to MISO in December of 2013. Each of these jurisdictional retail regulatory authorities has issued orders finding Entergy's proposed integration into MISO in the public interest, subject to certain conditions. In addition, each of these jurisdictional retail regulatory authorities participate in the Entergy Regional State Committee ("E-RSC").

As part of the retail regulatory proceedings related to Entergy's integration, MISO committed to file with this Commission a proposal to expand the MISO Advisory Committee to include one additional commissioner from the APSC, CNO, LPSC, MPSC or PUCT. In making this commitment, MISO recognized, among other things, that expansion of the Advisory Committee would ensure that regional diversity is maintained in MISO's governance structure. The commitment to expand the Advisory Committee as proposed in this filing was included in the stipulation agreements that established the basis of the PUCT and CNO's public interest determination.[3]

MISO's Advisory Committee is MISO's highest-level stakeholder policy committee that serves as a forum for MISO Members to keep apprised of MISO's activities and to provide information and advice to the Board of Directors on policy matters of concern. By design, the Advisory Committee does not exercise control over the Board of Directors or MISO; rather, the information and advice provided by the Advisory Committee is considered by MISO and its Board of Directors as a key part of the decision making process.

In June of 2013, the E-RSC passed a resolution recommending that "MISO expand the Advisory Committee by one position and dedicate the new position to a member of the

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1 The Entergy Operating Companies are: Entergy Arkansas, Inc.; Entergy Gulf States Louisiana, L.L.C.; Entergy Louisiana, LLC; Entergy Mississippi, Inc.; Entergy Texas, Inc.; and Entergy New Orleans, Inc.

2 These jurisdictional retail regulatory authorities include the Arkansas Public Service Commission, Louisiana Public Service Commission, Mississippi Public Service Commission, Public Utilities Commission of Texas and the City of New Orleans.

3 *See* Application of Entergy Texas, Inc. for Approval to Transfer Operational Control of its Transmission Assets to the MISO RTO, PUC Docket No. 40346, SOAH Docket No. 473-12-6206, Order, dated October 26, 2012; Joint Application to Transfer Functional Control of Certain Transmission Assets to Midwest Independent Transmission System Operator, Inc. Regional Transmission Organization, For Accounting Order Deferring Related Implementation Costs and Request for Timely Treatment, Docket No. UD-11-01, Resolution and Order Conditionally Approving ENO and ELL's Joint Application to Transfer Functional Control of Certain Transmission Assets to Midwest Independent Transmission System Operator, Inc. RTO, Resolution R-12-439, dated November 15, 2012.

regulatory sector from the MISO Southern Region."[4] MISO presented the E-RSC Resolution to the MISO Advisory Committee at its July 2013 meeting and requested comments on the proposed expansion of the state regulatory authorities sector from MISO stakeholders at its August Advisory Committee meeting.

MISO stakeholders provided written comments and were provided the opportunity to have a dialogue with MISO's Board of Directors participating in MISO's August 21, 2013 Advisory Committee. After reviewing the written comments of MISO stakeholders and considering the open dialogue at the August Advisory Committee, on August 22, 2013, MISO's Board of Directors directed MISO to file with this Commission a proposal expanding the Advisory Committee to add a representative for the state regulatory authorities sector of the Advisory Committee and specifying that one of the four proposed state regulatory authorities' representatives will be a member who is a representative of either the APSC, CNO, LPSC, MPSC or PUCT.

The proposal to expand the Advisory Committee by one representative is just and reasonable because it will ensure regional diversity on the Advisory Committee in light of MISO's significant geographic expansion with the southern integration. In addition, the proposal provides continuity of state regulatory authority oversight by ensuring that an E-RSC commissioner will participate directly in the MISO stakeholder process as a member of the MISO Advisory Committee. These considerations were contemplated in the rights afforded to the MISO Board of Directors under the Transmission Owners Agreement, which provides MISO's Board the authority to revise or expand stakeholder groups on the Advisory Committee as circumstances and industry structures change.[5]

While the proposal provides the additional representative an opportunity to participate fully in MISO's stakeholder process and policy votes, it will not significantly change the existing voting percentages of the Advisory Committee. The state regulatory authority sector will increase from approximately thirteen percent (13%) of the Advisory Committee vote to approximately sixteen percent (16%).

In addition to the proposed change to the Advisory Committee composition to address regulatory conditions relating to the Entergy integration, MISO's Board of Directors will continue to evaluate the composition of the Advisory Committee and voting structure and has asked for further discussion of this matter at MISO's October Advisory Committee meeting. If the Board of Directors determines additional changes to the composition of the Advisory Committee are necessary as a result of the ongoing dialogue with MISO stakeholders, MISO will file any necessary revisions to the Transmission Owners Agreement in a separate docket to ensure the Commission has adequate time to consider the instant proposal in advance of the

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[4] *See* Resolution of the E-RSC that MISO should add a position to the MISO Advisory Committee and Dedicate that Position for a Member of the Regulatory Sector From the MISO Southern Region ("E-RSC Resolution").

[5] *See* Article Two, Section VI, A. 1, and Appendix F – Bylaws, Article VI, 6.1. a of the Transmission Owners Agreement.

anticipated integration of Entergy in December of this year. MISO also commits to support the Advisory Committee and its Board of Directors in conducting an evaluation of the Advisory Committee's operations with the proposed additional representative and the Board of Directors effectiveness one year from the integration of all Entergy Operating Companies.

II. DISCUSSION OF TRANSMISSION OWNERS AGREEMENT REVISIONS

This filing contains proposed revisions to Article Two, Section VI, A. 1, and Appendix F – Bylaws, Article VI, 6.1. a, of the Transmission Owners Agreement to expand the Advisory Committee from twenty-three (23) to twenty-four (24) representatives. The proposed revisions to these sections also specifically state that the additional representative will be a representative of the state regulatory authorities sector, and that one of the four seats proposed for the state regulatory authorities sector will be assigned to a member of the sector who is a representative of either the APSC, CNO, LPSC, MPSC or PUCT.

This filing also contains proposed revisions to Article Two, Section VI, A. 2. C, and Appendix F – Bylaws, Article VI, 6.1. b. iii, regarding the manner in which the representatives of the state regulatory authorities on the Advisory Committee are chosen. MISO proposes to replace the term "state public service commissions" with the term "entities" to reflect the fact that, in certain jurisdictions, such as the City of New Orleans, the MISO Owner is regulated by an entity that is not a state regulatory commission.

The proposed additional representative for the state regulatory authorities will be a full member of the Advisory Committee with no limitations on voting rights or participation. The proposed revisions in this filing are consistent with authority of the MISO Board of Directors to revise or expand stakeholder groups as circumstances and industry structures change as stated in Article Two, Section VI, A. 1, and Appendix F – Bylaws, Article VI, 6.1. a, of the Transmission Owners Agreement.

As noted above, the instant filing is an important element of the Entergy integration effort, and addresses certain state regulatory conditions relating to such integration. As a result, MISO seeks this Commission's acceptance of the proposed changes to the Transmission Owners Agreement sufficiently prior to integration in order to ensure that the new Advisory Committee seat will clearly be authorized before the first post integration meetings of the relevant state regulatory commissions.

III. SUPPORTING DOCUMENTS

In addition to this Transmittal Letter, the following documents are being submitted with this filing:

Tab A – Redlined version of proposed revisions to the Transmission Owners Agreement;[6] and

Tab B – Clean version of proposed revisions to the Transmission Owners Agreement.

IV. PROPOSED EFFECTIVE DATE AND REQUEST FOR WAIVER

MISO respectfully requests that the proposed revisions to the Transmission Owners Agreement be made effective only upon the integration of all Entergy Operating Companies into MISO, which is anticipated on December 18, 2013.[7] MISO further requests that the Commission issue an order accepting this filing no later than sixty days from the date of this filing (*i.e.*, November 16, 2013) to provide regulatory certainty to all parties involved in the Entergy integration. MISO further requests waiver of the requirements of 18 C.F.R. § 35.13 that are not specifically addressed herein.

V. CORRESPONDENCE AND COMMUNICATIONS

Correspondence and communications with respect to this filing should be sent to the following persons, who shall also be authorized to receive notice in this docket:

Michael L. Kessler*
Midcontinent Independent
System Operator, Inc.
P.O. Box 4202
Carmel, IN 46082-4202
Telephone: 317-249-5400
Fax: 317-249-5912
mkessler@misoenergy.org

James C. Holsclaw*
The Holsclaw Group, LLC
P.O. Box 314
Plainfield, IN 46168
Telephone: 317-268-2080
Fax: 317-381-6576
jim@thglaw.com

*Person authorized to receive official service.

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[6] As there are no revisions to the sections being revised herein that are currently pending before the Commission, MISO's business practice of highlighting pending language in this instance is not necessary.

[7] MISO will transition to new eTariff software this November. This transition will require the transfer of all Tariff information from MISO's current software to the new eTariff software. To facilitate this transition, MISO wishes to refrain from submitting eTariff filings from November 4 through November 27. In order for MISO to ensure compliance with all FERC imposed deadlines relating to MISO's Tariff, Rate Schedules, or Service Agreements under the MISO Tariff, MISO respectfully requests the Commission's consideration of this transition schedule should the Commission impose compliance filing directives with respect to the instant filing.

VI. NOTICE AND SERVICE

MISO notes that it has served a copy of this filing electronically, including attachments, upon its Tariff Customers, MISO Members, Member representatives of Transmission Owners and Non-Transmission Owners, MISO Advisory Committee participants, as well as all state commissions within the Region, and the Organization of MISO States. In addition, the filing has been posted at https://www.misoenergy.org/Library/FERCFilingsOrders/Pages/FERCFilings.aspx, on MISO's website, for other interested parties in this matter.

VII. CONCLUSION

For all of the foregoing reasons, MISO respectfully requests that the Commission accept this filing and the proposed Transmission Owners Agreement revisions as discussed above and grant a waiver of any additional regulations the Commission may deem applicable in this instance.

Sincerely,

/s/ Michael L. Kessler

Michael L. Kessler
Midcontinent Independent System Operator, Inc.
720 City Center Drive
Carmel, Indiana 46032
Telephone: (317) 249-5400
Fax: (317) 249-5912
mkessler@misoenergy.org

James C. Holsclaw
The Holsclaw Group, LLC
P.O. Box 314
Plainfield, IN 46168
Telephone: 317-268-2080
Fax: 317-381-6576
jim@thglaw.com

Attorneys for
Midcontinent Independent System Operator, Inc.

Attachments

TAB A

A. Advisory Committee. Version: 2~~1~~.0.0 Effective: 12/18~~6/1~~/2013

1. At all times there shall exist an Advisory Committee to the Board consisting of a total of twenty-four~~three~~ representatives from the following stakeholder groups chosen as follows: (i) three (3) representatives of Owners, with one (1) seat assigned to an Owner who was a member of the Mid-Continent Area Power Pool ("MAPP") as of March 1, 2000; (ii) three (3) representatives of municipal and cooperative electric utilities and transmission-dependent utilities, with one (1) seat assigned to a Member of this group who was a member of MAPP as of March 1, 2000; (iii) three (3) representatives of independent power producers (hereinafter "IPPs") and exempt wholesale generators (hereinafter "EWGs"), with one (1) seat assigned to a Member of this group who was a member of MAPP as of March 1, 2000,or who is actively involved in the MAPP region (as it existed on March 1, 2000); (iv) three (3) representatives of power marketers and brokers, with one (1) seat assigned to a Member of this group who was a member of MAPP as of March 1, 2000, or who is actively involved in the MAPP region (as it existed on March 1, 2000); (v) three (3) representatives of eligible end-use customers, with one (1) seat assigned to a Member of this group who was a member of MAPP as of March 1, 2000, or who is actively involved in the MAPP region (as it existed on March 1, 2000); (vi) four (4) ~~three (3)~~ representatives of state regulatory authorities, with one (1) seat assigned to a Member of this group who was a member of MAPP as of March 1, 2000, or who is actively involved in the MAPP region (as it existed on March 1, 2000), and one (1) seat assigned to a Member of this group who is a representative of either the Arkansas Public Service Commission, City of New Orleans, Louisiana Public Service Commission, Mississippi Public Service Commission or the Public Utility Commission of Texas; (vii) two (2) representatives of public consumer groups, with one (1) seat assigned to a Member of this group who was a

member of MAPP as of March 1, 2000, or who is actively involved in the MAPP region (as it existed on March 1, 2000); (viii) two representatives of environmental and other stakeholder groups, with one (1) seat assigned to a Member of this group who was a member of MAPP as of March 1, 2000, or who is actively involved in the MAPP region (as it existed on March 1, 2000); and (ix) one (1) representative of Members who, being legally unable to transfer operational control to MISO, have entered into coordination or agency agreements with MISO ("Coordination Members"). The Board may revise or expand the stakeholder groups as circumstances and industry structures change. The Board shall be responsible for facilitating meetings of the Advisory Committee, which shall be held at least quarterly. At such quarterly meetings, the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President) and at least two (2) other members of the Board shall meet with the Advisory Committee. Upon request of the Advisory Committee, Board members and the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President) shall use their best efforts to attend other Advisory Committee meetings.

The Advisory Committee shall be a forum for its members to be apprised of MISO's activities and to provide information and advice to the Board on policy matters of concern to the Advisory Committee, or its constituent stakeholder groups, but neither the Advisory Committee nor any of its constituent groups shall exercise control over the Board or MISO. Nothing in this Agreement shall prohibit a corporate or other entity from participating in more than one stakeholder group provided it meets the approved eligibility criteria. The reports of the Advisory Committee and any minority reports shall be presented by the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President) to the Board. The Board shall determine how and when it shall consider and respond to such reports.

The Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President) shall inform the Advisory Committee of any Board determination(s) with respect to such report.

2. Members of the Advisory Committee shall be selected in the following manner:

a. The Owners' representatives on the Advisory Committee shall be selected in accordance with Article Two, Section VI, Paragraph B of this Agreement.

b. The representatives of municipal and cooperative electric utilities and transmission-dependent utilities, IPPs and EWGs, power marketers and brokers, eligible end-use customers, and Coordination Members on the Advisory Committee shall be chosen by the Members belonging to such groups. Such Member groups shall propose to the Board their own methods of eligibility and voting. Approval by the Board of such procedures shall not be unreasonably withheld.

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

d. The representatives of public consumer groups and environmental and other stakeholder groups on the Advisory Committee shall be chosen by recognized consumer, environmental, and other stakeholder organizations having an interest in the activities of MISO. The Board shall certify the organizations eligible to participate in the selection of such representatives to the Advisory Committee. Such certification shall not unreasonably be withheld. The groups so certified shall propose to the Board their own methods of eligibility and voting. Approval of such procedures shall not unreasonably be withheld.

e. Meetings of the constituent stakeholder groups represented on the Advisory Committee need not be open to the public.

APPENDIX F BYLAWS Version: 32.0.0 Effective: 12/186/1/2013

BYLAWS

of the

MIDCONTINENT INDEPENDENT SYSTEM OPERATOR, INC.

A Delaware Non-Stock Corporation

ARTICLE I

DEFINITIONS AND INTERPRETATION

Section 1.1. ***Definitions.*** Unless the context otherwise specifies or requires, certain capitalized terms are used in these Bylaws and the attached appendices with the meanings set forth below or in other provisions of these Bylaws. Any capitalized terms not defined in these Bylaws shall have the meaning as defined in the MISO Agreement and, if not defined there, in the Tariff.

Agency Agreement - The agreement allowing Non-transferred Transmission Facilities to be offered by the Midcontinent Independent System Operator, Inc. ("MISO") for transmission service under the Tariff. The Agency Agreement is Appendix G to the MISO Agreement.

Effective Date - The effective date of the MISO Agreement.

FERC - The Federal Energy Regulatory Commission, or any successor agency.

Funds Trust Agreement – The Funds Trust Agreement among JPMorgan Chase Bank, N.A., Midcontinent Independent System Operator, Inc., and the Beneficiaries, as may be amended from time to time, under which agreement a trust is established and maintained for the receipt and distribution of revenues resulting from the provision of transmission services under the Tariff.

Good Utility Practice- Any of the practices, methods, and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods, and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act, to the exclusion of all others, but rather to be a range of acceptable practices, methods, or acts generally accepted in the region.

He, Him, or His - Includes "she," "her," or "hers."

Member - A person or business entity which is (i) an Eligible Customer, as defined in the Tariff, or (ii) an Owner, as defined herein, and which pays to MISO, the non-refundable membership fees as required herein. Such person or entity shall be a Member during the period covered by the applicable membership fees unless earlier terminated pursuant to the Bylaws.

MISO Agreement - The Agreement Of Transmission Facilities Owners To Organize The Midcontinent Independent System Operator, Inc., A Delaware Non-Stock Corporation, and any amendments thereto, and as accepted by the FERC.

Non-owner Member - - A Member which is not an Owner.

Non-Transferred Transmission Facilities - The booked transmission facilities not identified in Appendix H to the MISO Agreement which are the subject of the Agency Agreement.

Owner - A utility or other entity which owns, operates, or controls facilities for the transmission of electricity in interstate commerce (as determined by the MISO by applying

the seven-factor (7 – factor) test of the FERC set forth in FERC Order No. 888, 61 Fed. Reg. 21,540, 21,620 (1996), or any successor test adopted by the FERC) and which is a signatory to the MISO Agreement. A public utility holding company system shall be treated as a single owner for purposes of the MISO Agreement. Each Owner shall pay the applicable membership fees and become a Member. Any termination of a utility's or entity's status as an Owner shall be determined pursuant to the MISO Agreement and these Bylaws.

Person - Any general partnership, limited partnership, corporation, limited liability company, joint venture, trust, business trust, governmental agency, cooperative, association, other entity, or individual, and the heirs, executors, administrators, legal representatives, successors, and assigns of such person, as the context may require.

Regional Entity. An entity having enforcement authority pursuant to Section 215(e)(4) of the Federal Power Act, 16 U.S.C. § 824o(e)(4), as specifically identified in the Tariff or its successor as may be in effect from time to time.

Tariff - The tariff on file with the FERC under which MISO will offer transmission service, energy and ancillary market services, or any successor tariff.

Transmission System - The transmission facilities of the Owners which are committed to the operation of MISO by the MISO Agreement. The facilities comprising the Transmission System are identified in Appendix H to the MISO Agreement.

User - A Transmission Customer under the Tariff or an entity that is a party to a transaction under the Tariff.

Section 1.2. ***Interpretation.*** In the event of any conflict between these Bylaws and the MISO Agreement, the MISO Agreement shall control. The descriptive headings of Articles and Sections of these Bylaws have been inserted for convenience of reference only and

shall not define, modify, restrict, construe, or otherwise affect their construction or interpretation.

ARTICLE II

GENERAL PROVISIONS

Section 2.1. ***Organization***. MISO is a non-stock, not-for-profit corporation, pursuant to Title 8, Chapter 1 of the laws of the State of Delaware. MISO is operated exclusively for the promotion of social welfare, in furtherance of the public policy reflected in the order of the FERC approving the MISO Agreement and FERC Order No. 888. No part of the net earnings, if any, of MISO shall inure to the benefit of any MISO Member, Director, Officer, employee, or any other interested private person. MISO is authorized and empowered to pay reasonable compensation for services actually rendered and to make payments or distributions in furtherance of the purposes and objectives set forth in the MISO Agreement and the Tariff. No substantial part of the activities of MISO shall be carrying on propaganda or otherwise attempting to influence legislation. MISO shall not participate in or intervene in any political campaign on behalf of any candidate for public office. MISO shall not conduct or carry on any activities not permitted to be conducted or carried on by an organization exempt from taxation under the Internal Revenue Code, or successor provisions in any subsequent federal tax laws, or such other provision or successor provisions under which the Internal Revenue Service may recognize that MISO is exempt from taxation.

Section 2.2 ***Offices.*** The principal office of MISO shall be located as determined by the Board of Directors. The Board may establish such branch offices or places of business as it shall determine to be in the best interests of MISO.

ARTICLE III

MEMBERS

Section 3.1. ***Qualifications; Membership Fees; Term***

a. Qualifications. Any Person which (i) is an Eligible Customer (as defined in the Tariff) or an Owner and (ii) pays to MISO the non-refundable membership fees set forth in Section 3.1(b) shall be eligible to become a Member. A person may apply to become a Member of MISO by submitting an application in the form then approved by the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President) and making payment of the membership fees set forth in Section 3.1(b) of these Bylaws. Action upon any application for membership shall be taken at the first meeting of the Board following submission of the membership application.

b. Membership Fees. All entities eligible for membership in MISO shall pay an initial membership fee of $15,000 in order to become Members. On January 1 of each year, each Member shall pay an additional fee of $1,000 to MISO to retain its membership. All such fees are nonrefundable and may be adjusted from time to time, as may be appropriate, by the Board.

c. Term. A Person shall be a Member during the period covered by the applicable membership fees unless earlier terminated as provided in these Bylaws.

d. Withdrawal of Members. A Member who is not an Owner may, upon submission of a written notice of withdrawal to the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President), withdraw from membership in MISO at any time, which withdrawal shall be effective thirty (30) days after the receipt of such notice by the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the

President). A Member who is also an Owner may, upon submission of a written notice of withdrawal to the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President), commence a process of withdrawal of its facilities from the Transmission System. The terms and conditions of such withdrawal are specified in the MISO Agreement.

Section 3.2. ***Owner Status***. Members admitted to Membership after the start-up of MISO who wish also to have the status as Owners, must (i) own, operate, or control facilities used for the transmission of electricity in interstate commerce (as determined by MISO by applying the seven factor (7-factor) test set forth in FERC Order No. 888, 61 Fed. Reg. 21,540, 21,620 (1996), or any successor test adopted by the FERC) that are physically interconnected with the facilities of an existing Owner; (ii) express its agreement to become a signatory to the MISO Agreement, to be bound by all of its terms, and to make any and all payments or contributions required by the MISO Agreement, and (iii) express its agreement to become a signatory to the Funds Trust Agreement, to be bound by all of its terms, and to make any and all payments or contributions required by the Funds Trust Agreement if and/or when it receives revenues for transmission service, and prior to the existence of any right of the Member to receive revenues from transmission service under the Tariff executes the Funds Trust Agreement. Upon fulfillment of these conditions, and upon completion of any physical integration of the new Owner's facilities with the Transmission System in a fashion consistent with the Chief Executive Officer’s (or if the Board chooses not to elect the Chief Executive Officer, the President's) direction, the Board shall allow the new Member to become a signatory to the MISO Agreement. In general, an Owner must own, operate, or control interstate transmission facilities as detailed above; however, on a case-by-case basis, the Board may waive

the requirement that such facilities be physically interconnected if allowing the Member also to become an Owner will result in significant net benefits to MISO and its Members.

Section 3.3. ***No Rights of Members to Manage or Control***. No Member shall have any rights to manage or control the property, affairs, or business of MISO, or any power to control the Board in these respects.

Section 3.4. ***Regular Meetings***. The Members shall hold their meetings at the principal office of MISO, or other location designated by the Board, on the dates designated by the Board. The Members shall also hold their annual meetings at such location on the second Thursday of December each year, or such other day of December as may be designated by the Board, for the purpose of electing Directors and of exercising and discharging any other powers or duties vested in them by the MISO Agreement and the Bylaws.

Section 3.5. ***Special Meetings***. The Board or any twenty-five percent (25%) of the Members may call special meetings of the Members at any time.

Section 3.6. ***Notification***.

a. The Secretary shall provide notice to appropriate state regulatory authorities, FERC, the members of the Advisory Committee (established pursuant to the MISO Agreement), and the public by posting on MISO's Internet World-Wide Web Site or equivalent form of electronic posting at least seven (7) days prior to the meeting, of the time and place of all meetings of Members, whether regular or special.

b. Notice mailed to a Member, sent by telefacsimile, or other electronic means no later than seven (7) days prior to the date of the meeting, directed to the Member at the address as shown on the books of MISO, shall be deemed

sufficient for the provisions of this provision and for all other purposes, unless written notice of change of such address has been previously given to MISO. In the case of special meetings, the Secretary shall also give notice to all Members of the general purpose of the meeting and the nature of the business to be considered at such meeting. Such a special meeting shall be limited to the business thus specified in the notice, unless at least twenty-five percent (25%) of the Members consent in writing to the consideration of other matters. The Members of record eligible to participate in any meeting shall be determined as of the date notice of the meeting is provided to the Members.

Section 3.7. ***Conduct of Meetings; Quorum; Voting***. At all meetings of Members, the Chairman of the Board, or such other person as may be designated by the Board, shall preside. Each Member shall be entitled to one vote, and Members may vote by proxy. Twenty-five percent (25%) of the Members, or their proxies, shall constitute a quorum for the purpose of any such meeting. Except where it is otherwise provided in these Bylaws, a vote of a majority of the Members represented and voting at the meeting shall control.

ARTICLE IV

BOARD OF DIRECTORS

Section 4.1. ***General Powers***. There shall be a Board of Directors of MISO which shall consist of seven (7) persons plus the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President). The Board may exercise all of the powers of the non-stock corporation and do all lawful acts and things (including the adoption of such rules and regulations for the conduct of its meetings, the exercise of its powers, and the management of

MISO) as it may deem proper and consistent with applicable law, the MISO Agreement, the Tariff, the articles of incorporation, and these Bylaws, provided that authority for such actions is not reserved to the Members or Owners.

Section 4.2. ***Qualifications***. A Director shall not be, and shall not have been at any time within two (2) years prior to or subsequent to election to the Board, a Director, Officer, or employee of a Member, User, or an affiliate of a Member or User engaged in the electric utility industry or participating in wholesale electricity markets. At all times while serving on the Board, and for two (2) years thereafter, a Director shall have no material business relationship or other affiliation with any Member or User or an affiliate of a Member or User engaged in the electric utility industry or participating in wholesale electricity markets. A Director's participation in a pension plan of a Member or User or an affiliate thereof shall not be deemed to be a material business relationship if the Member's or User's financial performance has no material effect on such pension plan. Similarly, a Director's ownership of securities in a Member or User or affiliate thereof shall not be deemed to be a material business relationship if such securities are

held through a mutual fund, retirement fund, blind trust (as defined in Appendix A, Section II.E.6) or similar arrangement where the Director has no discretion to manage the assets in such an account. Of the seven (7) Directors, four (4) shall have expertise and experience in corporate leadership at the senior management or board of directors level, or in the professional disciplines of finance, accounting, engineering, or utility laws and regulation. Of the other three (3) Directors, one (1) shall have expertise and experience in the operation of electric transmission systems, one (1) shall have expertise and experience in the planning of electric transmission systems, and one (1) shall have expertise and experience in commercial markets

and trading and associated risk management.

Section 4.3. ***Number; Election***.

a. Board. The Board shall be elected by the Members at their annual meeting from a slate of candidates presented to them by the Nominating Committee. Directors shall be elected to terms of three (3) years, except for any Director elected to fill a vacancy in the remainder of the term of a previously elected Director that has been removed or resigns. Before the term of a Director expires, a nominating committee consisting of three Board Members whose terms are not expiring appointed by the Board and two members of the Advisory Committee selected by the Advisory Committee shall select an executive search firm to provide at least two (2) candidates, with the qualifications specified below, to the nominating committee for each open Director position. Members may submit the names of candidates directly to the nominating committee. The nominating committee shall then provide at least two (2) candidates to the Board for each open position. The candidates for a specific Director position shall have the same type of qualifications as the Director being replaced, as set forth in Section 4.2 above. At least thirty (30) days prior to the meeting of the Members at which the Directors will be elected, the Board shall distribute to the Members a slate of candidates consisting of at least one (1) candidate for each Director position to be filled. The Board shall also provide the Members with information on the qualifications and experience of the candidate to fill the Director seat for which each candidate is proposed. A candidate receiving a majority of the votes cast by the Members shall be elected. Should the Members fail to elect a

candidate from the slate proposed by the Board, the Board shall prepare a new slate using the procedures set forth above for consideration by the Members at a meeting of the Members to be called no later than seventy-five (75) days after such election. Each Director shall serve until the Director's successor shall have been duly elected and qualified, or until the Director's earlier resignation or removal. Vacancies on the Board caused by a Director leaving office before the expiration of the Director's term shall be filled by vote of the Board, which shall choose a candidate having the same type of qualifications as the Director's predecessor from a list prepared by the nominating committee in consultation with an executive search firm chosen by the nominating committee. A Director selected to fill such a vacancy shall serve out the term of his predecessor.

Section 4.4. ***Chairman of the Board***. The Board shall select from among its members a Chairman of the Board. The Chairman shall serve in such capacity at the pleasure of the Board until the first meeting of the Board following the next succeeding annual meeting of the Members, or until his successor shall have been elected and have qualified. The Chairman of the Board shall, unless otherwise determined by the Board, preside over all meetings of the Board and Members. The Chairman shall perform all duties incident to the office of Chairman of the Board and such other duties as from time to time may be assigned to him by the Board.

Section 4.5. ***Vice Chairman***. The Board shall select from among its members a Vice Chairman of the Board. The Vice Chairman shall serve in such capacity at the pleasure of the Board until its first meeting following the next succeeding annual meeting of the Members, or until his successor shall have been elected and have qualified. In the absence of the Chairman of the Board, or in the event of his inability or refusal to act, the Vice Chairman shall perform the

duties of the Chairman of the Board, and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the Chairman of the Board. The Vice Chairman shall also perform such other duties as from time to time may be assigned to him by the Board.

Section 4.6. ***Resignation of Directors***. Any Director may resign his office by submitting a signed notice of resignation, delivered or mailed to the principal office of MISO. Such notice of resignation shall state the effective date of resignation. If the notice does not indicate an effective date, the resignation shall take effect upon receipt of the notice at the principal office of MISO.

Section 4.7. ***Removal of Directors***.

a. Removal by Members. The Members may remove a Director by a vote of a majority of the Members. Removal proceedings may only be initiated by a petition signed by not less than twenty percent (20%) of all Members. The petition shall state the specific grounds for removal. A copy of the petition shall be provided to the FERC and to each appropriate state regulatory authority. A Director sought to be removed shall be given fifteen (15) days to respond in writing to any charges set forth in the petition. The petition shall specify either that the removal vote shall be taken at the next regular meeting of the Members or at a special meeting of the Members at a designated date, place, and time.

b. Removal by Owners for Unauthorized Acts. If the Board of MISO changes, or attempts to change, any of the provisions of the MISO Agreement identified in Article Two, Section IX, Paragraph C of the MISO Agreement without obtaining the requisite approval of the Owners as specified therein, or if the Board fails to enact these Bylaws or enacts any Bylaws contrary to the MISO

Agreement, or if the Board fails or refuses to fulfill the duties owed to the Owners set forth in Article Three, Section III, Paragraphs B and C of the MISO Agreement, then the Board shall be deemed to have acted without authorization, and may be removed in its entirety by unanimous vote of the Owners' Committee (established by Article Two, Section VI, Paragraph B of the MISO Agreement), provided that such removal shall be subject to approval by the FERC. Removal proceedings hereunder shall be initiated only by the delivery by the Owners' Committee to the Chairman of the Board of a statement specifying in detail the manner in which the Board has acted without authorization. The Board shall have sixty (60) days to respond to such a statement, after which the Owners may, by unanimous vote of the Owners' Committee, reaffirm their proposal to remove the Board if they are not satisfied with the Board's response. If the Owners vote unanimously to reaffirm their proposal, they shall file such proposal with the FERC and provide notice to the appropriate state regulatory authorities. Upon the FERC's approval of such proposal, the Board shall be removed in its entirety and a new Board shall be selected in accordance with the provisions for the selection of an initial Board specified in these Bylaws. The new Board so selected shall have all of the powers specified herein as belonging to the Board, including the power to replace the Chief Executive Officer, the President and other Officers, employees, or agents of MISO chosen by the removed Board or its predecessors. Nothing herein shall be deemed to prejudice any right any Owner may otherwise have under the FPA or other provisions of law.

Section 4.8. ***Meetings; Notification***. Regular meetings of the Board shall be held at

least quarterly, and other meetings shall be held from time to time on the call of the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President), Chairman, or a majority of the Board. A Director may participate in a meeting personally or by electronic means. Written notice of the date, location, and time of each meeting of the Board must be provided by first-class mail or by telefacsimile to each Director no later than seven (7) calendar days prior to the date of the meeting. Participation in a meeting by a Director is a waiver of any objection that the Director may make to any failure to give adequate notice under this provision. Any action required or permitted to be taken at any meeting of the Board, or of any Board Committee, may be taken without a meeting if all Directors or Board Committee members, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board or Board Committee. Consistent with the MISO Agreement, the Board shall have all procedural authority provided and options available under Title 8 of the Delaware Corporation Law, section 141, as such law may be amended or, any successor provision thereto.

Section 4.9. ***Quorum; Voting***. Five (5) Directors shall constitute a quorum of the Board. Except as provided in Section 4.7 of these Bylaws, the affirmative vote of a majority of the Directors present at a meeting is required to constitute any act or decision rendered by the Board.

Section 4.10. ***Accounting***. At each quarterly meeting of the Board, or such other time as the Board directs, the Board shall require the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President) to submit for Board approval a full statement of the conditions of MISO, and all business transacted by it, and, when the statement is approved, shall cause a copy of it to be sent to each Member.

Section 4.11. ***Minutes and Reports***. The Board shall cause to be kept by the Secretary,

elected by it, accurate minutes of all meetings of the Board, Members, and Board Committees. Insofar as non-Members of MISO are concerned, these records shall be conclusive for the Board of the facts and activities stated and recorded therein.

Section 4.12. ***Director Compensation and Expenses***. Directors shall receive from MISO such compensation, regular or special, subject to the terms and conditions stated in the MISO Agreement, Article Two, Section Three, Paragraph D, Subparagraph 1. An independent compensation or human resources firm shall set Director compensation following such Director elections, subject to approval of the Members. If two-thirds (2/3) or more of the Members vote to reject the compensation and human resources firm's recommended compensation, then the recommended compensation shall be rejected. If the recommended compensation is rejected, then the compensation and human resources firm shall be requested to submit another recommendation or another compensation and human resources firm may be hired for such purpose. Directors, and their successors and assigns, shall have the right to reimbursement by MISO for all of their actual expenses reasonably incurred or accrued in the performance of their duties as Directors of MISO.

Section 4.13. ***Annual Report***. The Board shall annually make a written report showing the financial results of MISO's operations during the preceding fiscal year. A copy of such report shall be furnished to each Member.

Section 4.14. ***Board Oversight***. The Board of Directors shall oversee the Chief Executive Officer's and/or the President's performance of the obligations of MISO specified in the MISO Agreement and these Bylaws. The performance of such obligations shall be carried out and executed by the Chief Executive Officer and/or the President with oversight as appropriate by the Board. The Board shall establish general policies to be followed by the Chief Executive

Officer and/or the President and employees of MISO in the conduct of their duties. The Board shall have the obligation to assure that the Chief Executive Officer and/or the President accounts for all transactions on the Transmission System and other activities of MISO; submits bills for such transactions; pays the expenses of operation of MISO; collects monies for transmission service from customers solely as agent for Owners or their designee(s) in accordance with the Tariff; and distributes monies to the Owners or their designee(s) in accordance with the MISO Agreement, any associated agreements referred to in the MISO Agreement, the Funds Trust Agreement, and the Tariff.

Section 4.15. ***Standards of Conduct***. The Directors shall comply with the Standards of Conduct set forth in Appendix A to the MISO Agreement, and, by direction or oversight, shall require that the Officers and employees of MISO also comply with such standards.

Section 4.16. ***Employ Staff***. The Board shall have the power to employ staff, auditors, counsel, and other personnel as necessary to carry out the business of MISO, and may delegate to the Chief Executive Officer and/or the President all or part of such authority to employ such staff, auditors, counsel, and other personnel.

Section 4.17. ***Board Committees***. The Board may appoint such committees of the Board of Directors as are necessary and appropriate for the conduct of MISO's business, provided that final responsibility for any action recommended by any such committee remains with the Board.

ARTICLE V

OFFICERS

Section 5.1. ***Titles***. The Officers of MISO shall be the Chief Executive Officer, the President, one or more Vice Presidents (at the discretion of the Board), and a Secretary.

Section 5.2. ***Election and Term of Office***. The Officers of MISO shall be elected from

time to time by the Board. Each Officer shall hold office at the pleasure of the Board.

Section 5.3. ***Removal of Officers by Directors***. Any Officer may be removed by the Board whenever, in the Board's judgment, the best interests of MISO will be served thereby.

Section 5.4. ***Chief Executive Officer***. At its discretion, the Board shall have the power not to establish the office of the Chief Executive Officer, or if established, to combine the offices of the Chief Executive Officer and the President. The President shall exercise the powers and perform the duties of the Chief Executive Officer as set forth in Article V, Section 5.5 of these Bylaws. The Chief Executive Officer shall serve on the Board of MISO. The Chief Executive Officer may vote on any matter presented at a Board meeting except when the Chief Executive Officer's vote would create a tied Board vote. In that circumstance, the Chief Executive Officer shall be barred from voting. The Chief Executive Officer also may not vote on the selection of, or continued employment of the Chief Executive Officer or on the Chief Executive Officer's compensation. The Chief Executive Officer shall be included in the determination of a quorum of the Board for any meeting of the Board and in the determination of a majority vote of the Board for any purpose. The duties of the Chief Executive Officer are as follows:

a. Right of Chief Executive Officer to Manage. The right of the Chief Executive Officer to exercise functional control over the operation of the Transmission System, insofar as is necessary to carry out the rights, duties, and obligations of MISO as set forth in the MISO Agreement, shall be absolute, unconditional, and free from the control and management of the Owners, who shall have only the rights specifically set forth in the MISO Agreement. The Chief Executive Officer shall have the authority to act for MISO before any and all applicable federal or state regulatory authorities to carry out the business of

MISO.

b. General Powers. The Chief Executive Officer shall possess and exercise any and all such additional powers as are reasonably implied from the powers contained in the MISO Agreement such as may be necessary or convenient in the conduct of any business or enterprise of MISO. The Chief Executive Officer may (i) do and perform everything that (a) he deems necessary, suitable, or proper for the accomplishment of any of the purposes, or the attainment of any one or more of the objectives, enumerated in the MISO Agreement, or (b) that shall at any time appear conducive to, or expedient for, the protection or benefit of MISO, and (ii) do and perform all other acts or things that are deemed necessary or incidental to the purposes set forth in the MISO Agreement.

c. Acquire Property. The Chief Executive Officer shall have power to purchase, or otherwise acquire through leases, such property, except for transmission facilities which shall be governed by Appendix B to the MISO Agreement, as necessary to carry out the obligations of MISO as specified in Article Three of the MISO Agreement.

d. Prosecute Claims. The Chief Executive Officer shall have full and exclusive power and authority to demand, sue for, claim, and receive any and all revenues and monies due MISO.

e. Borrow. The Chief Executive Officer shall have the power to borrow money up to the level authorized by the Board for the purposes of MISO and to give the obligations of MISO to secure such indebtedness.

f. Contracts. The Chief Executive Officer shall have the authority and

power to make all such contracts as he may deem expedient and proper in conducting the business of MISO, except as may be limited by the Board.

g. Taxes and Assessments. The Chief Executive Officer shall have the power (i) to pay all taxes or assessments of whatever kind or nature imposed upon or against MISO in connection with MISO property, or upon or against MISO property, or any part of such property; (ii) to do all acts and things as may be required or permitted by any present or future law for the purpose of making the activities of MISO exempt from taxation; and (iii) for any of the above-stated purposes, to do all such other acts and things as may be deemed by him necessary or desirable.

h. Depository. In accordance with policies set by the Board, and subject to any limitations set forth in the MISO Agreement or the Funds Trust Agreement, the Chief Executive Officer shall have the power to select a depository, and to deposit any monies or securities held by MISO in connection with the performance of its obligations under the MISO Agreement, with any one or more banks, trust companies, or other banking institutions, that are federally insured and deemed by the Chief Executive Officer to be responsible, such monies or securities to be subject to withdrawal on notice upon demand or in such manner as the Chief Executive Officer may determine, with no responsibility upon the Chief Executive Officer for any loss that may occur by reason of the failure of the person with whom the monies or securities had been deposited properly to account for the monies or securities so deposited.

Section 5.5. ***President***. If the Board has established the office of the Chief Executive

Officer, the President shall, in the absence or disability of the Chief Executive Officer, exercise the powers and perform the duties of the Chief Executive Officer. The President shall exercise such other powers and perform such other duties as shall be prescribed by the Chief Executive Officer and/or the Board consistent with this Agreement. The President shall not be eligible to serve on the Board of MISO except when performing the duties of the Chief Executive Officer, as above provided, or except when the Board chooses not to establish the office of the Chief Executive Officer. If the Board chooses not to establish the office of the Chief Executive Officer, the President shall exercise the powers and perform the duties of the Chief Executive Officer.

Section 5.6. ***Vice President***. If the Board chooses not to establish the office of the Chief Executive Officer, the Vice President or, if there be more than one, the Vice President designated by the Board, shall in the absence or disability of the President, exercise the powers and perform the duties of the President. Each Vice President shall exercise such other powers and perform such other duties as shall be prescribed by Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President) and the Board consistent with the MISO Agreement and these Bylaws. No Vice President shall be eligible to serve on the Board of MISO except when performing the duties of the President as provided in the MISO Agreement.

Section 5.7. ***Secretary***. The Secretary shall be responsible for the following duties:

a. Keeping the minutes of the applicable meetings in one or more books provided for that purpose;

b. Seeing that all notices are duly provided in accordance with these Bylaws, policies of MISO, and any and all other documents which provide for the governance of MISO;

c. Maintaining custody of the records of the business of MISO and the seal of MISO, and affixing such seal to all appropriate documents, the execution of which, on behalf of MISO, under its seal, is duly authorized in accordance with the provisions of these Bylaws;

d. Keeping a register of the names and post office addresses of all Members and Directors;

e. Signing letters of membership, the issuance of which shall have been authorized by the Board or Members;

f. Keeping on file at all times at the principal office of MISO a complete copy of the MISO Agreement, and all amendments thereto, together with these Bylaws and any policies concerning the governance of MISO, and, at the expense of MISO, forwarding or otherwise making available copies of such information to each of the Members and to the public to the extent required by law; and generally performing all duties instant to the office of Secretary and such other duties that, from time to time, may be assigned to the Secretary by the Board.

Section 5.8. ***Standards of Conduct***. The Officers, agents, and employees of MISO shall comply with the Standards of Conduct set forth in Appendix A to the MISO Agreement.

Section 5.9. ***Bonds of Officers***. Any Officer, employee, or agent of MISO charged with the responsibility for the custody of any of its funds or property shall give bond in such sums, and with such sureties, as the Board shall determine. The Board, in its discretion, may also require any other Officer, agent, or employee of MISO to give bond in such amount, with such surety, as it shall determine. All premiums of the aforesaid bonds shall be paid by MISO.

Section 5.10. ***Compensation***. Compensation of the Officers, agents, and employees of

MISO shall be established by the Board or pursuant to the policies approved by the Board.

ARTICLE VI

EXTERNAL COMMITTEES

Section 6.1. ***Advisory Committee***.

a. At all times there shall exist an Advisory Committee to the Board consisting of a total of twenty four (24) ~~three (23)~~ representatives from the following stakeholder groups chosen as follows: (i) three (3) representatives of Owners, with one (1) seat assigned to an Owner who was a member of the Mid-Continent Area Power Pool ("MAPP") as of March 1, 2000; (ii) three (3) representatives of municipal and cooperative electric utilities and transmission-dependent utilities, with one (1) seat assigned to a Member of this group who was a member of MAPP as of March 1, 2000; (iii) three (3) representatives of independent power producers ("IPPs") and exempt wholesale generators ("EWGs"), with one (1) seat assigned to a Member of this group who was a member of MAPP as of March 1, 2000, or who is actively involved in the MAPP region (as it existed on March 1, 2000); (iv) three (3) representatives of power marketers and brokers, with one (1) seat assigned to a Member of this group who was a member of MAPP as of March 1, 2000, or who is actively involved in the MAPP region (as it existed on March 1, 2000); (v) three (3) representatives of eligible end-use customers, with one (1) seat assigned to a Member of this group who was a member of MAPP as of March 1, 2000, or who is actively involved in the MAPP region (as it existed on March 1, 2000); (vi) four (4) ~~three (3)~~

representatives of state regulatory authorities, with one (1) seat assigned to a Member of this group who was a member of MAPP as of March 1, 2000, or who is actively involved in the MAPP region (as it existed on March 1, 2000), and one (1) seat assigned to a Member of this group who is a representative of either the Arkansas Public Service Commission, City of New Orleans, Louisiana Public Service Commission, Mississippi Public Service Commission or the Public Utility Commission of Texas; (vii) two (2) representatives of public consumer groups, with one (1) seat assigned to a Member of this group who was a member of MAPP as of March 1, 2000, or who is actively involved in the MAPP region (as it existed on March 1, 2000); (viii) two representatives of environmental and other stakeholder groups, with one (1) seat assigned to a Member of this group who was a member of MAPP as of March 1, 2000, or who is actively involved in the MAPP region (as it existed on March 1, 2000); and (ix) one (1) representative of Members who, being legally unable to transfer operational control to MISO have, entered into coordination or agency agreements with MISO ("Coordination Members"). The Board may revise or expand the stakeholder groups as circumstances and industry structures change. The Board shall be responsible for facilitating meetings of the Advisory Committee, which shall be held at least quarterly. At such quarterly meetings, the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President) and at least two (2) other members of the Board shall meet with the Advisory Committee. Upon request of the Advisory Committee, Board members and the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President) shall use

their best efforts to attend other Advisory Committee meetings. The Advisory Committee shall be a forum for its members to be apprised of MISO's activities and to provide information and advice to the Board on policy matters of concern to the Advisory Committee, or its constituent stakeholder groups, but neither the Advisory Committee nor any of its constituent groups shall exercise control over the Board or MISO. Nothing in the MISO Agreement shall prohibit a corporate or other entity from participating in more than one stakeholder group provided it meets the approved eligibility criteria. The reports of the Advisory Committee and any minority reports shall be presented by the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President) to the Board. The Board shall determine how and when it shall consider and respond to such reports. The Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President) shall inform the Advisory Committee of any Board determination(s) with respect to such report.

b. Members of the Advisory Committee shall be selected in the following manner:

i. The Owners' representatives on the Advisory Committee shall be selected in accordance with Section 6.2 of these Bylaws.

ii. The representatives of municipal and cooperative electric utilities and transmission-dependent utilities, IPPs and EWGs, power marketers and brokers, eligible end-use customers, and Coordination Members on the Advisory Committee shall be chosen by the Members belonging to such groups. Such Member groups shall propose to the Board their own

methods of eligibility and voting. Approval by the Board of such procedures shall not be unreasonably withheld.

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

iv. The representatives of public consumer groups and environmental and other stakeholder groups on the Advisory Committee shall be chosen by recognized consumer, environmental, and other stakeholder organizations having an interest in the activities of MISO. The Board shall certify the organizations eligible to participate in the selection of such representatives to the Advisory Committee. Such certification shall not unreasonably be withheld. The groups so certified shall propose to the Board their own methods of eligibility and voting. Approval of such procedures shall not unreasonably be withheld.

v. Meetings of the constituent stakeholder groups represented on the Advisory Committee need not be open to the public.

c. In order to ensure appropriate representation on the Advisory Committee, the Board may change the size and composition of the Advisory Committee at three-year (3-year) intervals.

Section 6.2. ***Owners' Committee***. An Owners' Committee shall exist throughout the period of the MISO Agreement. The Owners' Committee shall consist of one (1) person representing each of the Owners who are signatories to the MISO Agreement. The Owners'

Committee shall meet at its discretion to exercise the authority granted to the Owners as a group under these Bylaws, including voting upon the matters set forth in Sections 4.7(b) and 6.1(b)(i) of these Bylaws, and under the MISO Agreement. The Owners' Committee shall select three (3) representatives to serve on the Advisory Committee established pursuant to Section 6.1 of these Bylaws.

Section 6.3. ***OMS Committee***. OMS Committee shall be the committee that is composed of members of the Organization of MISO States, established pursuant to the bylaws of the Organization of MISO States, having the responsibilities and rights defined in section I.B of Attachment FF of the Tariff and associated Business Practices Manual. The OMS Committee has the opportunity to provide input into the transmission planning, resource adequacy, and transmission cost allocation approach and processes, and may report periodically to MISO's Board. To enable it to exercise the authority described herein, the OMS Committee will be adequately supported by the Transmission Provider either through reasonable in-kind services or through the provision of reasonable funding.

ARTICLE VII

OPEN MEETINGS

Section 7.1. ***Open Meetings***. Except as provided herein, all meetings of the Board, all meetings of Board Committees and working groups, all meetings of the Advisory Committee and all Members' meetings shall be open to the public. Timely notice of such meetings and copies of all materials to be addressed at such meetings shall be provided to the members of the Advisory Committee, appropriate state regulatory authorities, and the FERC and posted on MISO's Internet World-Wide Web Site or equivalent form of electronic posting. The procedures adopted by the Board for the conduct of such meetings shall allow interested members of the public,

including those stakeholders represented on the Advisory Committee, to provide oral and written comments at such meetings concerning any matter that may come before the Board, Board Committees and working groups, Advisory Committee, or Members, whichever is applicable, during the open portion of such meetings.

Section 7.2. ***Minutes***. The meeting minutes of all meetings of the Board, Board Committees and working groups, Advisory Committee, and Members shall be made available to the public and furnished to appropriate state regulatory authorities and the FERC, upon request; provided, however, that materials or information which is privileged or confidential pursuant to Section 7.3 of these Bylaws may be redacted from such minutes. Copies of executed or final documents, such as contracts, leases, and agreements, not otherwise required to be treated as confidential shall be made available for review. In the event the basis for information being treated as confidential ceases to exist, said information shall thereafter be available for review.

Section 7.3. ***Executive Sessions to Preserve Confidentiality***. Executive sessions (closed to the public) shall be held as necessary to safeguard the confidentiality of (a) personnel-related information; (b) information subject to the attorney-client privilege or to confidential treatment under the attorney-work product doctrine or concerning pending or threatened litigation; (c) information that is confidential under Appendix A to the MISO Agreement; (d) consideration of assumption of liabilities, business combinations, or the purchase or lease of real property or assets; (e) except as may be required by law, consideration of the sale or purchase of securities, investments, or investment contracts; (f) strategy and negotiation sessions in connection with a collective bargaining agreement; (g) discussion of emergency and security procedures; (h) consideration of matters classified as confidential by federal or state law; (i) matters to protect trade secrets, proprietary information, specifications for competitive bidding, or to discuss a

specific proposal if open discussion would jeopardize the cost or siting or give an unfair competitive or bargaining advantage to any person or entity; and (j) discussion of proceedings by the Alternate Dispute Resolution Committee established under Attachment HH of the Tariff.

ARTICLE VIII

DUE DILIGENCE, LIABILITY, AND INDEMNIFICATION

Section 8.1. ***Due Diligence Duties***. It shall be the duty of Directors, Officers, employees, agents, and other representatives of MISO (a) to faithfully and diligently administer MISO as would reasonable and prudent persons acting in their own behalf; (b) to keep correct and accurate records of all business transacted; (c) to exercise prudence and economy in the business of MISO, including the minimization of tax liability, if any; (d) to act in good faith, and only for the best interests of MISO; (e) to annually render a full and correct account of MISO business; and (f) at the termination of MISO, to render and to deliver all the properties and funds of MISO in accordance with the MISO Agreement and applicable law.

Section 8.2. ***Limitations on Liability***. No Director, Officer, agent, employee, or other representative of MISO, and no corporation or other business organization that employs a Director of MISO, or any Director, Officer, agent, or employee of such corporation or other business organization, shall be personally liable to MISO, any Member, or any User for any act or omission on the part of any such Director, Officer, agent, employee, or other representative of MISO, which was performed or omitted in good faith in his official capacity as a Director, Officer, agent, employee, or other representative of MISO pursuant to the operation of the MISO Agreement, or in any other capacity he may hold, at the request of MISO, as its representative in any other organization. However, this release of liability shall not operate to release such a Director, Officer, agent, employee, or other representative of MISO from any personal liability

resulting from willful acts or omissions knowingly or intentionally committed or omitted by him in breach of the MISO Agreement, for improper personal benefit, or in bad faith. Directors, Officers, agents, employees, or other representatives of MISO also shall not be personally liable for any actions or omissions of others, including Owners, whose actions or omissions may relate to MISO, or any property or property rights forming, or intended or believed to form, part of MISO's property, or for any defect in the title to, or liens or encumbrances on, any such property or property rights.

Section 8.3. ***Indemnification***. MISO shall indemnify each Director, Officer, agent, employee, or other representative strictly in accordance with the terms and conditions of the Indemnification provisions of the MISO Agreement, Article II, Section VIII.

ARTICLE IX

AMENDMENTS

Section 9.1. ***Amendment***. These Bylaws may be amended by the Board from time to time, subject to the receipt of all necessary federal and state regulatory approvals, and provided that no amendment is contrary to the MISO Agreement.

ARTICLE X

MISCELLANEOUS MATTERS

Section 10.1. ***Dispute Resolution***. MISO shall resolve disputes between and among MISO and the Owners, individually or collectively, and Users other than the Owners, in accordance with the procedures set forth in Attachment HH of the Tariff.

Section 10.2. ***Inspection and Auditing Procedures***. MISO shall grant each Member, its employees or agents, external auditors, and federal and state regulatory authorities having jurisdiction over MISO or an Owner, such access to MISO's books and records as is necessary to

verify compliance by MISO with the MISO Agreement and to audit and verify transactions under the MISO Agreement. Such access shall be at reasonable times and under reasonable conditions. MISO shall also comply with the reporting requirements of federal and state regulatory authorities having jurisdiction over MISO with respect to the business aspects of its business operations, including, but not limited to, the State of Delaware. Contacts between Officers, employees, and agents of any Owner and those of MISO pursuant to this Section 10.2 shall be strictly limited to the purposes of this Section 10.2 and shall comply with the Standards of Conduct set forth in Appendix A to the MISO Agreement.

ARTICLE XI

WITHDRAWAL OR TERMINATION OF MEMBERS

Section 11.1. ***Withdrawal Notice***. A Member who is not an Owner may, upon submission of a written notice of withdrawal to the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President), withdraw from membership in MISO at any time, which withdrawal shall be effective thirty (30) days after the receipt of such notice by the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President).

A Member who is also an Owner may withdraw under the procedures and rights specified in the MISO Agreement and shall be subject to the regulatory approvals referred to in that Agreement or as provided by applicable law. The effect of such withdrawal shall be as stated in that Agreement.

TAB B

A. Advisory Committee. Version: 2.0.0 Effective: 12/18/2013

1. At all times there shall exist an Advisory Committee to the Board consisting of a total of twenty-four representatives from the following stakeholder groups chosen as follows: (i) three (3) representatives of Owners, with one (1) seat assigned to an Owner who was a member of the Mid-Continent Area Power Pool ("MAPP") as of March 1, 2000; (ii) three (3) representatives of municipal and cooperative electric utilities and transmission-dependent utilities, with one (1) seat assigned to a Member of this group who was a member of MAPP as of March 1, 2000; (iii) three (3) representatives of independent power producers (hereinafter "IPPs") and exempt wholesale generators (hereinafter "EWGs"), with one (1) seat assigned to a Member of this group who was a member of MAPP as of March 1, 2000,or who is actively involved in the MAPP region (as it existed on March 1, 2000); (iv) three (3) representatives of power marketers and brokers, with one (1) seat assigned to a Member of this group who was a member of MAPP as of March 1, 2000, or who is actively involved in the MAPP region (as it existed on March 1, 2000); (v) three (3) representatives of eligible end-use customers, with one (1) seat assigned to a Member of this group who was a member of MAPP as of March 1, 2000, or who is actively involved in the MAPP region (as it existed on March 1, 2000); (vi) four (4) representatives of state regulatory authorities, with one (1) seat assigned to a Member of this group who was a member of MAPP as of March 1, 2000, or who is actively involved in the MAPP region (as it existed on March 1, 2000), and one (1) seat assigned to a Member of this group who is a representative of either the Arkansas Public Service Commission, City of New Orleans, Louisiana Public Service Commission, Mississippi Public Service Commission or the Public Utility Commission of Texas; (vii) two (2) representatives of public consumer groups, with one (1) seat assigned to a Member of this group who was a member of MAPP as of

March 1, 2000, or who is actively involved in the MAPP region (as it existed on March 1, 2000); (viii) two representatives of environmental and other stakeholder groups, with one (1) seat assigned to a Member of this group who was a member of MAPP as of March 1, 2000, or who is actively involved in the MAPP region (as it existed on March 1, 2000); and (ix) one (1) representative of Members who, being legally unable to transfer operational control to MISO, have entered into coordination or agency agreements with MISO ("Coordination Members"). The Board may revise or expand the stakeholder groups as circumstances and industry structures change. The Board shall be responsible for facilitating meetings of the Advisory Committee, which shall be held at least quarterly. At such quarterly meetings, the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President) and at least two (2) other members of the Board shall meet with the Advisory Committee. Upon request of the Advisory Committee, Board members and the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President) shall use their best efforts to attend other Advisory Committee meetings.

The Advisory Committee shall be a forum for its members to be apprised of MISO's activities and to provide information and advice to the Board on policy matters of concern to the Advisory Committee, or its constituent stakeholder groups, but neither the Advisory Committee nor any of its constituent groups shall exercise control over the Board or MISO. Nothing in this Agreement shall prohibit a corporate or other entity from participating in more than one stakeholder group provided it meets the approved eligibility criteria. The reports of the Advisory Committee and any minority reports shall be presented by the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President) to the Board. The Board shall determine how and when it shall consider and respond to such reports.

The Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President) shall inform the Advisory Committee of any Board determination(s) with respect to such report.

2. Members of the Advisory Committee shall be selected in the following manner:

a. The Owners' representatives on the Advisory Committee shall be selected in accordance with Article Two, Section VI, Paragraph B of this Agreement.

b. The representatives of municipal and cooperative electric utilities and transmission-dependent utilities, IPPs and EWGs, power marketers and brokers, eligible end-use customers, and Coordination Members on the Advisory Committee shall be chosen by the Members belonging to such groups. Such Member groups shall propose to the Board their own methods of eligibility and voting. Approval by the Board of such procedures shall not be unreasonably withheld.

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

d. The representatives of public consumer groups and environmental and other stakeholder groups on the Advisory Committee shall be chosen by recognized consumer, environmental, and other stakeholder organizations having an interest in the activities of MISO. The Board shall certify the organizations eligible to participate in the selection of such representatives to the Advisory Committee. Such certification shall not unreasonably be withheld. The groups so certified shall propose to the Board their own methods of eligibility and voting. Approval of such procedures shall not unreasonably be withheld.

e. Meetings of the constituent stakeholder groups represented on the Advisory Committee need not be open to the public.

APPENDIX F BYLAWS Version: 3.0.0 Effective: 12/18/2013

BYLAWS

of the

MIDCONTINENT INDEPENDENT SYSTEM OPERATOR, INC.

A Delaware Non-Stock Corporation

ARTICLE I

DEFINITIONS AND INTERPRETATION

Section 1.1. ***Definitions.*** Unless the context otherwise specifies or requires, certain capitalized terms are used in these Bylaws and the attached appendices with the meanings set forth below or in other provisions of these Bylaws. Any capitalized terms not defined in these Bylaws shall have the meaning as defined in the MISO Agreement and, if not defined there, in the Tariff.

Agency Agreement - The agreement allowing Non-transferred Transmission Facilities to be offered by the Midcontinent Independent System Operator, Inc. ("MISO") for transmission service under the Tariff. The Agency Agreement is Appendix G to the MISO Agreement.

Effective Date - The effective date of the MISO Agreement.

FERC - The Federal Energy Regulatory Commission, or any successor agency.

Funds Trust Agreement – The Funds Trust Agreement among JPMorgan Chase Bank, N.A., Midcontinent Independent System Operator, Inc., and the Beneficiaries, as may be amended from time to time, under which agreement a trust is established and maintained for the receipt and distribution of revenues resulting from the provision of transmission services under the Tariff.

Good Utility Practice- Any of the practices, methods, and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods, and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act, to the exclusion of all others, but rather to be a range of acceptable practices, methods, or acts generally accepted in the region.

He, Him, or His - Includes "she," "her," or "hers."

Member - A person or business entity which is (i) an Eligible Customer, as defined in the Tariff, or (ii) an Owner, as defined herein, and which pays to MISO, the non-refundable membership fees as required herein. Such person or entity shall be a Member during the period covered by the applicable membership fees unless earlier terminated pursuant to the Bylaws.

MISO Agreement - The Agreement Of Transmission Facilities Owners To Organize The Midcontinent Independent System Operator, Inc., A Delaware Non-Stock Corporation, and any amendments thereto, and as accepted by the FERC.

Non-owner Member - - A Member which is not an Owner.

Non-Transferred Transmission Facilities - The booked transmission facilities not identified in Appendix H to the MISO Agreement which are the subject of the Agency Agreement.

Owner - A utility or other entity which owns, operates, or controls facilities for the transmission of electricity in interstate commerce (as determined by the MISO by applying

the seven-factor (7 – factor) test of the FERC set forth in FERC Order No. 888, 61 Fed. Reg. 21,540, 21,620 (1996), or any successor test adopted by the FERC) and which is a signatory to the MISO Agreement. A public utility holding company system shall be treated as a single owner for purposes of the MISO Agreement. Each Owner shall pay the applicable membership fees and become a Member. Any termination of a utility's or entity's status as an Owner shall be determined pursuant to the MISO Agreement and these Bylaws.

Person - Any general partnership, limited partnership, corporation, limited liability company, joint venture, trust, business trust, governmental agency, cooperative, association, other entity, or individual, and the heirs, executors, administrators, legal representatives, successors, and assigns of such person, as the context may require.

Regional Entity. An entity having enforcement authority pursuant to Section 215(e)(4) of the Federal Power Act, 16 U.S.C. § 824o(e)(4), as specifically identified in the Tariff or its successor as may be in effect from time to time.

Tariff - The tariff on file with the FERC under which MISO will offer transmission service, energy and ancillary market services, or any successor tariff.

Transmission System - The transmission facilities of the Owners which are committed to the operation of MISO by the MISO Agreement. The facilities comprising the Transmission System are identified in Appendix H to the MISO Agreement.

User - A Transmission Customer under the Tariff or an entity that is a party to a transaction under the Tariff.

Section 1.2. ***Interpretation.*** In the event of any conflict between these Bylaws and the MISO Agreement, the MISO Agreement shall control. The descriptive headings of Articles and Sections of these Bylaws have been inserted for convenience of reference only and

shall not define, modify, restrict, construe, or otherwise affect their construction or interpretation.

ARTICLE II

GENERAL PROVISIONS

Section 2.1. ***Organization***. MISO is a non-stock, not-for-profit corporation, pursuant to Title 8, Chapter 1 of the laws of the State of Delaware. MISO is operated exclusively for the promotion of social welfare, in furtherance of the public policy reflected in the order of the FERC approving the MISO Agreement and FERC Order No. 888. No part of the net earnings, if any, of MISO shall inure to the benefit of any MISO Member, Director, Officer, employee, or any other interested private person. MISO is authorized and empowered to pay reasonable compensation for services actually rendered and to make payments or distributions in furtherance of the purposes and objectives set forth in the MISO Agreement and the Tariff. No substantial part of the activities of MISO shall be carrying on propaganda or otherwise attempting to influence legislation. MISO shall not participate in or intervene in any political campaign on behalf of any candidate for public office. MISO shall not conduct or carry on any activities not permitted to be conducted or carried on by an organization exempt from taxation under the Internal Revenue Code, or successor provisions in any subsequent federal tax laws, or such other provision or successor provisions under which the Internal Revenue Service may recognize that MISO is exempt from taxation.

Section 2.2 ***Offices.*** The principal office of MISO shall be located as determined by the Board of Directors. The Board may establish such branch offices or places of business as it shall determine to be in the best interests of MISO.

ARTICLE III

MEMBERS

Section 3.1. ***Qualifications; Membership Fees; Term***

a. Qualifications. Any Person which (i) is an Eligible Customer (as defined in the Tariff) or an Owner and (ii) pays to MISO the non-refundable membership fees set forth in Section 3.1(b) shall be eligible to become a Member. A person may apply to become a Member of MISO by submitting an application in the form then approved by the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President) and making payment of the membership fees set forth in Section 3.1(b) of these Bylaws. Action upon any application for membership shall be taken at the first meeting of the Board following submission of the membership application.

b. Membership Fees. All entities eligible for membership in MISO shall pay an initial membership fee of $15,000 in order to become Members. On January 1 of each year, each Member shall pay an additional fee of $1,000 to MISO to retain its membership. All such fees are nonrefundable and may be adjusted from time to time, as may be appropriate, by the Board.

c. Term. A Person shall be a Member during the period covered by the applicable membership fees unless earlier terminated as provided in these Bylaws.

d. Withdrawal of Members. A Member who is not an Owner may, upon submission of a written notice of withdrawal to the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President), withdraw from membership in MISO at any time, which withdrawal shall be effective thirty (30) days after the receipt of such notice by the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the

President). A Member who is also an Owner may, upon submission of a written notice of withdrawal to the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President), commence a process of withdrawal of its facilities from the Transmission System. The terms and conditions of such withdrawal are specified in the MISO Agreement.

Section 3.2. ***Owner Status***. Members admitted to Membership after the start-up of MISO who wish also to have the status as Owners, must (i) own, operate, or control facilities used for the transmission of electricity in interstate commerce (as determined by MISO by applying the seven factor (7-factor) test set forth in FERC Order No. 888, 61 Fed. Reg. 21,540, 21,620 (1996), or any successor test adopted by the FERC) that are physically interconnected with the facilities of an existing Owner; (ii) express its agreement to become a signatory to the MISO Agreement, to be bound by all of its terms, and to make any and all payments or contributions required by the MISO Agreement, and (iii) express its agreement to become a signatory to the Funds Trust Agreement, to be bound by all of its terms, and to make any and all payments or contributions required by the Funds Trust Agreement if and/or when it receives revenues for transmission service, and prior to the existence of any right of the Member to receive revenues from transmission service under the Tariff executes the Funds Trust Agreement. Upon fulfillment of these conditions, and upon completion of any physical integration of the new Owner's facilities with the Transmission System in a fashion consistent with the Chief Executive Officer’s (or if the Board chooses not to elect the Chief Executive Officer, the President's) direction, the Board shall allow the new Member to become a signatory to the MISO Agreement. In general, an Owner must own, operate, or control interstate transmission facilities as detailed above; however, on a case-by-case basis, the Board may waive

the requirement that such facilities be physically interconnected if allowing the Member also to become an Owner will result in significant net benefits to MISO and its Members.

Section 3.3. ***No Rights of Members to Manage or Control***. No Member shall have any rights to manage or control the property, affairs, or business of MISO, or any power to control the Board in these respects.

Section 3.4. ***Regular Meetings***. The Members shall hold their meetings at the principal office of MISO, or other location designated by the Board, on the dates designated by the Board. The Members shall also hold their annual meetings at such location on the second Thursday of December each year, or such other day of December as may be designated by the Board, for the purpose of electing Directors and of exercising and discharging any other powers or duties vested in them by the MISO Agreement and the Bylaws.

Section 3.5. ***Special Meetings***. The Board or any twenty-five percent (25%) of the Members may call special meetings of the Members at any time.

Section 3.6. ***Notification***.

a. The Secretary shall provide notice to appropriate state regulatory authorities, FERC, the members of the Advisory Committee (established pursuant to the MISO Agreement), and the public by posting on MISO's Internet World-Wide Web Site or equivalent form of electronic posting at least seven (7) days prior to the meeting, of the time and place of all meetings of Members, whether regular or special.

b. Notice mailed to a Member, sent by telefacsimile, or other electronic means no later than seven (7) days prior to the date of the meeting, directed to the Member at the address as shown on the books of MISO, shall be deemed

sufficient for the provisions of this provision and for all other purposes, unless written notice of change of such address has been previously given to MISO. In the case of special meetings, the Secretary shall also give notice to all Members of the general purpose of the meeting and the nature of the business to be considered at such meeting. Such a special meeting shall be limited to the business thus specified in the notice, unless at least twenty-five percent (25%) of the Members consent in writing to the consideration of other matters. The Members of record eligible to participate in any meeting shall be determined as of the date notice of the meeting is provided to the Members.

Section 3.7. ***Conduct of Meetings; Quorum; Voting***. At all meetings of Members, the Chairman of the Board, or such other person as may be designated by the Board, shall preside. Each Member shall be entitled to one vote, and Members may vote by proxy. Twenty-five percent (25%) of the Members, or their proxies, shall constitute a quorum for the purpose of any such meeting. Except where it is otherwise provided in these Bylaws, a vote of a majority of the Members represented and voting at the meeting shall control.

ARTICLE IV

BOARD OF DIRECTORS

Section 4.1. ***General Powers***. There shall be a Board of Directors of MISO which shall consist of seven (7) persons plus the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President). The Board may exercise all of the powers of the non-stock corporation and do all lawful acts and things (including the adoption of such rules and regulations for the conduct of its meetings, the exercise of its powers, and the management of

MISO) as it may deem proper and consistent with applicable law, the MISO Agreement, the Tariff, the articles of incorporation, and these Bylaws, provided that authority for such actions is not reserved to the Members or Owners.

Section 4.2. ***Qualifications***. A Director shall not be, and shall not have been at any time within two (2) years prior to or subsequent to election to the Board, a Director, Officer, or employee of a Member, User, or an affiliate of a Member or User engaged in the electric utility industry or participating in wholesale electricity markets. At all times while serving on the Board, and for two (2) years thereafter, a Director shall have no material business relationship or other affiliation with any Member or User or an affiliate of a Member or User engaged in the electric utility industry or participating in wholesale electricity markets. A Director's participation in a pension plan of a Member or User or an affiliate thereof shall not be deemed to be a material business relationship if the Member's or User's financial performance has no material effect on such pension plan. Similarly, a Director's ownership of securities in a Member or User or affiliate thereof shall not be deemed to be a material business relationship if such securities are

held through a mutual fund, retirement fund, blind trust (as defined in Appendix A, Section II.E.6) or similar arrangement where the Director has no discretion to manage the assets in such an account. Of the seven (7) Directors, four (4) shall have expertise and experience in corporate leadership at the senior management or board of directors level, or in the professional disciplines of finance, accounting, engineering, or utility laws and regulation. Of the other three (3) Directors, one (1) shall have expertise and experience in the operation of electric transmission systems, one (1) shall have expertise and experience in the planning of electric transmission systems, and one (1) shall have expertise and experience in commercial markets

and trading and associated risk management.

Section 4.3. ***Number; Election***.

a. Board. The Board shall be elected by the Members at their annual meeting from a slate of candidates presented to them by the Nominating Committee. Directors shall be elected to terms of three (3) years, except for any Director elected to fill a vacancy in the remainder of the term of a previously elected Director that has been removed or resigns. Before the term of a Director expires, a nominating committee consisting of three Board Members whose terms are not expiring appointed by the Board and two members of the Advisory Committee selected by the Advisory Committee shall select an executive search firm to provide at least two (2) candidates, with the qualifications specified below, to the nominating committee for each open Director position. Members may submit the names of candidates directly to the nominating committee. The nominating committee shall then provide at least two (2) candidates to the Board for each open position. The candidates for a specific Director position shall have the same type of qualifications as the Director being replaced, as set forth in Section 4.2 above. At least thirty (30) days prior to the meeting of the Members at which the Directors will be elected, the Board shall distribute to the Members a slate of candidates consisting of at least one (1) candidate for each Director position to be filled. The Board shall also provide the Members with information on the qualifications and experience of the candidate to fill the Director seat for which each candidate is proposed. A candidate receiving a majority of the votes cast by the Members shall be elected. Should the Members fail to elect a

candidate from the slate proposed by the Board, the Board shall prepare a new slate using the procedures set forth above for consideration by the Members at a meeting of the Members to be called no later than seventy-five (75) days after such election. Each Director shall serve until the Director's successor shall have been duly elected and qualified, or until the Director's earlier resignation or removal. Vacancies on the Board caused by a Director leaving office before the expiration of the Director's term shall be filled by vote of the Board, which shall choose a candidate having the same type of qualifications as the Director's predecessor from a list prepared by the nominating committee in consultation with an executive search firm chosen by the nominating committee. A Director selected to fill such a vacancy shall serve out the term of his predecessor.

Section 4.4. ***Chairman of the Board***. The Board shall select from among its members a Chairman of the Board. The Chairman shall serve in such capacity at the pleasure of the Board until the first meeting of the Board following the next succeeding annual meeting of the Members, or until his successor shall have been elected and have qualified. The Chairman of the Board shall, unless otherwise determined by the Board, preside over all meetings of the Board and Members. The Chairman shall perform all duties incident to the office of Chairman of the Board and such other duties as from time to time may be assigned to him by the Board.

Section 4.5. ***Vice Chairman***. The Board shall select from among its members a Vice Chairman of the Board. The Vice Chairman shall serve in such capacity at the pleasure of the Board until its first meeting following the next succeeding annual meeting of the Members, or until his successor shall have been elected and have qualified. In the absence of the Chairman of the Board, or in the event of his inability or refusal to act, the Vice Chairman shall perform the

duties of the Chairman of the Board, and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the Chairman of the Board. The Vice Chairman shall also perform such other duties as from time to time may be assigned to him by the Board.

Section 4.6. ***Resignation of Directors***. Any Director may resign his office by submitting a signed notice of resignation, delivered or mailed to the principal office of MISO. Such notice of resignation shall state the effective date of resignation. If the notice does not indicate an effective date, the resignation shall take effect upon receipt of the notice at the principal office of MISO.

Section 4.7. ***Removal of Directors***.

a. Removal by Members. The Members may remove a Director by a vote of a majority of the Members. Removal proceedings may only be initiated by a petition signed by not less than twenty percent (20%) of all Members. The petition shall state the specific grounds for removal. A copy of the petition shall be provided to the FERC and to each appropriate state regulatory authority. A Director sought to be removed shall be given fifteen (15) days to respond in writing to any charges set forth in the petition. The petition shall specify either that the removal vote shall be taken at the next regular meeting of the Members or at a special meeting of the Members at a designated date, place, and time.

b. Removal by Owners for Unauthorized Acts. If the Board of MISO changes, or attempts to change, any of the provisions of the MISO Agreement identified in Article Two, Section IX, Paragraph C of the MISO Agreement without obtaining the requisite approval of the Owners as specified therein, or if the Board fails to enact these Bylaws or enacts any Bylaws contrary to the MISO

Agreement, or if the Board fails or refuses to fulfill the duties owed to the Owners set forth in Article Three, Section III, Paragraphs B and C of the MISO Agreement, then the Board shall be deemed to have acted without authorization, and may be removed in its entirety by unanimous vote of the Owners' Committee (established by Article Two, Section VI, Paragraph B of the MISO Agreement), provided that such removal shall be subject to approval by the FERC. Removal proceedings hereunder shall be initiated only by the delivery by the Owners' Committee to the Chairman of the Board of a statement specifying in detail the manner in which the Board has acted without authorization. The Board shall have sixty (60) days to respond to such a statement, after which the Owners may, by unanimous vote of the Owners' Committee, reaffirm their proposal to remove the Board if they are not satisfied with the Board's response. If the Owners vote unanimously to reaffirm their proposal, they shall file such proposal with the FERC and provide notice to the appropriate state regulatory authorities. Upon the FERC's approval of such proposal, the Board shall be removed in its entirety and a new Board shall be selected in accordance with the provisions for the selection of an initial Board specified in these Bylaws. The new Board so selected shall have all of the powers specified herein as belonging to the Board, including the power to replace the Chief Executive Officer, the President and other Officers, employees, or agents of MISO chosen by the removed Board or its predecessors. Nothing herein shall be deemed to prejudice any right any Owner may otherwise have under the FPA or other provisions of law.

Section 4.8. ***Meetings; Notification***. Regular meetings of the Board shall be held at

least quarterly, and other meetings shall be held from time to time on the call of the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President), Chairman, or a majority of the Board. A Director may participate in a meeting personally or by electronic means. Written notice of the date, location, and time of each meeting of the Board must be provided by first-class mail or by telefacsimile to each Director no later than seven (7) calendar days prior to the date of the meeting. Participation in a meeting by a Director is a waiver of any objection that the Director may make to any failure to give adequate notice under this provision. Any action required or permitted to be taken at any meeting of the Board, or of any Board Committee, may be taken without a meeting if all Directors or Board Committee members, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board or Board Committee. Consistent with the MISO Agreement, the Board shall have all procedural authority provided and options available under Title 8 of the Delaware Corporation Law, section 141, as such law may be amended or, any successor provision thereto.

Section 4.9. ***Quorum; Voting***. Five (5) Directors shall constitute a quorum of the Board. Except as provided in Section 4.7 of these Bylaws, the affirmative vote of a majority of the Directors present at a meeting is required to constitute any act or decision rendered by the Board.

Section 4.10. ***Accounting***. At each quarterly meeting of the Board, or such other time as the Board directs, the Board shall require the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President) to submit for Board approval a full statement of the conditions of MISO, and all business transacted by it, and, when the statement is approved, shall cause a copy of it to be sent to each Member.

Section 4.11. ***Minutes and Reports***. The Board shall cause to be kept by the Secretary,

elected by it, accurate minutes of all meetings of the Board, Members, and Board Committees. Insofar as non-Members of MISO are concerned, these records shall be conclusive for the Board of the facts and activities stated and recorded therein.

Section 4.12. ***Director Compensation and Expenses***. Directors shall receive from MISO such compensation, regular or special, subject to the terms and conditions stated in the MISO Agreement, Article Two, Section Three, Paragraph D, Subparagraph 1. An independent compensation or human resources firm shall set Director compensation following such Director elections, subject to approval of the Members. If two-thirds (2/3) or more of the Members vote to reject the compensation and human resources firm's recommended compensation, then the recommended compensation shall be rejected. If the recommended compensation is rejected, then the compensation and human resources firm shall be requested to submit another recommendation or another compensation and human resources firm may be hired for such purpose. Directors, and their successors and assigns, shall have the right to reimbursement by MISO for all of their actual expenses reasonably incurred or accrued in the performance of their duties as Directors of MISO.

Section 4.13. ***Annual Report***. The Board shall annually make a written report showing the financial results of MISO's operations during the preceding fiscal year. A copy of such report shall be furnished to each Member.

Section 4.14. ***Board Oversight***. The Board of Directors shall oversee the Chief Executive Officer's and/or the President's performance of the obligations of MISO specified in the MISO Agreement and these Bylaws. The performance of such obligations shall be carried out and executed by the Chief Executive Officer and/or the President with oversight as appropriate by the Board. The Board shall establish general policies to be followed by the Chief Executive

Officer and/or the President and employees of MISO in the conduct of their duties. The Board shall have the obligation to assure that the Chief Executive Officer and/or the President accounts for all transactions on the Transmission System and other activities of MISO; submits bills for such transactions; pays the expenses of operation of MISO; collects monies for transmission service from customers solely as agent for Owners or their designee(s) in accordance with the Tariff; and distributes monies to the Owners or their designee(s) in accordance with the MISO Agreement, any associated agreements referred to in the MISO Agreement, the Funds Trust Agreement, and the Tariff.

Section 4.15. ***Standards of Conduct***. The Directors shall comply with the Standards of Conduct set forth in Appendix A to the MISO Agreement, and, by direction or oversight, shall require that the Officers and employees of MISO also comply with such standards.

Section 4.16. ***Employ Staff***. The Board shall have the power to employ staff, auditors, counsel, and other personnel as necessary to carry out the business of MISO, and may delegate to the Chief Executive Officer and/or the President all or part of such authority to employ such staff, auditors, counsel, and other personnel.

Section 4.17. ***Board Committees***. The Board may appoint such committees of the Board of Directors as are necessary and appropriate for the conduct of MISO's business, provided that final responsibility for any action recommended by any such committee remains with the Board.

ARTICLE V

OFFICERS

Section 5.1. ***Titles***. The Officers of MISO shall be the Chief Executive Officer, the President, one or more Vice Presidents (at the discretion of the Board), and a Secretary.

Section 5.2. ***Election and Term of Office***. The Officers of MISO shall be elected from

time to time by the Board. Each Officer shall hold office at the pleasure of the Board.

Section 5.3. ***Removal of Officers by Directors***. Any Officer may be removed by the Board whenever, in the Board's judgment, the best interests of MISO will be served thereby.

Section 5.4. ***Chief Executive Officer***. At its discretion, the Board shall have the power not to establish the office of the Chief Executive Officer, or if established, to combine the offices of the Chief Executive Officer and the President. The President shall exercise the powers and perform the duties of the Chief Executive Officer as set forth in Article V, Section 5.5 of these Bylaws. The Chief Executive Officer shall serve on the Board of MISO. The Chief Executive Officer may vote on any matter presented at a Board meeting except when the Chief Executive Officer's vote would create a tied Board vote. In that circumstance, the Chief Executive Officer shall be barred from voting. The Chief Executive Officer also may not vote on the selection of, or continued employment of the Chief Executive Officer or on the Chief Executive Officer's compensation. The Chief Executive Officer shall be included in the determination of a quorum of the Board for any meeting of the Board and in the determination of a majority vote of the Board for any purpose. The duties of the Chief Executive Officer are as follows:

a. Right of Chief Executive Officer to Manage. The right of the Chief Executive Officer to exercise functional control over the operation of the Transmission System, insofar as is necessary to carry out the rights, duties, and obligations of MISO as set forth in the MISO Agreement, shall be absolute, unconditional, and free from the control and management of the Owners, who shall have only the rights specifically set forth in the MISO Agreement. The Chief Executive Officer shall have the authority to act for MISO before any and all applicable federal or state regulatory authorities to carry out the business of

MISO.

b. General Powers. The Chief Executive Officer shall possess and exercise any and all such additional powers as are reasonably implied from the powers contained in the MISO Agreement such as may be necessary or convenient in the conduct of any business or enterprise of MISO. The Chief Executive Officer may (i) do and perform everything that (a) he deems necessary, suitable, or proper for the accomplishment of any of the purposes, or the attainment of any one or more of the objectives, enumerated in the MISO Agreement, or (b) that shall at any time appear conducive to, or expedient for, the protection or benefit of MISO, and (ii) do and perform all other acts or things that are deemed necessary or incidental to the purposes set forth in the MISO Agreement.

c. Acquire Property. The Chief Executive Officer shall have power to purchase, or otherwise acquire through leases, such property, except for transmission facilities which shall be governed by Appendix B to the MISO Agreement, as necessary to carry out the obligations of MISO as specified in Article Three of the MISO Agreement.

d. Prosecute Claims. The Chief Executive Officer shall have full and exclusive power and authority to demand, sue for, claim, and receive any and all revenues and monies due MISO.

e. Borrow. The Chief Executive Officer shall have the power to borrow money up to the level authorized by the Board for the purposes of MISO and to give the obligations of MISO to secure such indebtedness.

f. Contracts. The Chief Executive Officer shall have the authority and

power to make all such contracts as he may deem expedient and proper in conducting the business of MISO, except as may be limited by the Board.

g. Taxes and Assessments. The Chief Executive Officer shall have the power (i) to pay all taxes or assessments of whatever kind or nature imposed upon or against MISO in connection with MISO property, or upon or against MISO property, or any part of such property; (ii) to do all acts and things as may be required or permitted by any present or future law for the purpose of making the activities of MISO exempt from taxation; and (iii) for any of the above-stated purposes, to do all such other acts and things as may be deemed by him necessary or desirable.

h. Depository. In accordance with policies set by the Board, and subject to any limitations set forth in the MISO Agreement or the Funds Trust Agreement, the Chief Executive Officer shall have the power to select a depository, and to deposit any monies or securities held by MISO in connection with the performance of its obligations under the MISO Agreement, with any one or more banks, trust companies, or other banking institutions, that are federally insured and deemed by the Chief Executive Officer to be responsible, such monies or securities to be subject to withdrawal on notice upon demand or in such manner as the Chief Executive Officer may determine, with no responsibility upon the Chief Executive Officer for any loss that may occur by reason of the failure of the person with whom the monies or securities had been deposited properly to account for the monies or securities so deposited.

Section 5.5. ***President***. If the Board has established the office of the Chief Executive

Officer, the President shall, in the absence or disability of the Chief Executive Officer, exercise the powers and perform the duties of the Chief Executive Officer. The President shall exercise such other powers and perform such other duties as shall be prescribed by the Chief Executive Officer and/or the Board consistent with this Agreement. The President shall not be eligible to serve on the Board of MISO except when performing the duties of the Chief Executive Officer, as above provided, or except when the Board chooses not to establish the office of the Chief Executive Officer. If the Board chooses not to establish the office of the Chief Executive Officer, the President shall exercise the powers and perform the duties of the Chief Executive Officer.

Section 5.6. ***Vice President***. If the Board chooses not to establish the office of the Chief Executive Officer, the Vice President or, if there be more than one, the Vice President designated by the Board, shall in the absence or disability of the President, exercise the powers and perform the duties of the President. Each Vice President shall exercise such other powers and perform such other duties as shall be prescribed by Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President) and the Board consistent with the MISO Agreement and these Bylaws. No Vice President shall be eligible to serve on the Board of MISO except when performing the duties of the President as provided in the MISO Agreement.

Section 5.7. ***Secretary***. The Secretary shall be responsible for the following duties:

a. Keeping the minutes of the applicable meetings in one or more books provided for that purpose;

b. Seeing that all notices are duly provided in accordance with these Bylaws, policies of MISO, and any and all other documents which provide for the governance of MISO;

c. Maintaining custody of the records of the business of MISO and the seal of MISO, and affixing such seal to all appropriate documents, the execution of which, on behalf of MISO, under its seal, is duly authorized in accordance with the provisions of these Bylaws;

d. Keeping a register of the names and post office addresses of all Members and Directors;

e. Signing letters of membership, the issuance of which shall have been authorized by the Board or Members;

f. Keeping on file at all times at the principal office of MISO a complete copy of the MISO Agreement, and all amendments thereto, together with these Bylaws and any policies concerning the governance of MISO, and, at the expense of MISO, forwarding or otherwise making available copies of such information to each of the Members and to the public to the extent required by law; and generally performing all duties instant to the office of Secretary and such other duties that, from time to time, may be assigned to the Secretary by the Board.

Section 5.8. ***Standards of Conduct***. The Officers, agents, and employees of MISO shall comply with the Standards of Conduct set forth in Appendix A to the MISO Agreement.

Section 5.9. ***Bonds of Officers***. Any Officer, employee, or agent of MISO charged with the responsibility for the custody of any of its funds or property shall give bond in such sums, and with such sureties, as the Board shall determine. The Board, in its discretion, may also require any other Officer, agent, or employee of MISO to give bond in such amount, with such surety, as it shall determine. All premiums of the aforesaid bonds shall be paid by MISO.

Section 5.10. ***Compensation***. Compensation of the Officers, agents, and employees of

MISO shall be established by the Board or pursuant to the policies approved by the Board.

ARTICLE VI

EXTERNAL COMMITTEES

Section 6.1. ***Advisory Committee***.

a. At all times there shall exist an Advisory Committee to the Board consisting of a total of twenty four (24) representatives from the following stakeholder groups chosen as follows: (i) three (3) representatives of Owners, with one (1) seat assigned to an Owner who was a member of the Mid-Continent Area Power Pool ("MAPP") as of March 1, 2000; (ii) three (3) representatives of municipal and cooperative electric utilities and transmission-dependent utilities, with one (1) seat assigned to a Member of this group who was a member of MAPP as of March 1, 2000; (iii) three (3) representatives of independent power producers ("IPPs") and exempt wholesale generators ("EWGs"), with one (1) seat assigned to a Member of this group who was a member of MAPP as of March 1, 2000, or who is actively involved in the MAPP region (as it existed on March 1, 2000); (iv) three (3) representatives of power marketers and brokers, with one (1) seat assigned to a Member of this group who was a member of MAPP as of March 1, 2000, or who is actively involved in the MAPP region (as it existed on March 1, 2000); (v) three (3) representatives of eligible end-use customers, with one (1) seat assigned to a Member of this group who was a member of MAPP as of March 1, 2000, or who is actively involved in the MAPP region (as it existed on March 1, 2000); (vi) four (4) representatives of state regulatory authorities, with one (1) seat assigned to a

Member of this group who was a member of MAPP as of March 1, 2000, or who is actively involved in the MAPP region (as it existed on March 1, 2000), and one (1) seat assigned to a Member of this group who is a representative of either the Arkansas Public Service Commission, City of New Orleans, Louisiana Public Service Commission, Mississippi Public Service Commission or the Public Utility Commission of Texas; (vii) two (2) representatives of public consumer groups, with one (1) seat assigned to a Member of this group who was a member of MAPP as of March 1, 2000, or who is actively involved in the MAPP region (as it existed on March 1, 2000); (viii) two representatives of environmental and other stakeholder groups, with one (1) seat assigned to a Member of this group who was a member of MAPP as of March 1, 2000, or who is actively involved in the MAPP region (as it existed on March 1, 2000); and (ix) one (1) representative of Members who, being legally unable to transfer operational control to MISO have, entered into coordination or agency agreements with MISO ("Coordination Members"). The Board may revise or expand the stakeholder groups as circumstances and industry structures change. The Board shall be responsible for facilitating meetings of the Advisory Committee, which shall be held at least quarterly. At such quarterly meetings, the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President) and at least two (2) other members of the Board shall meet with the Advisory Committee. Upon request of the Advisory Committee, Board members and the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President) shall use their best efforts to attend other Advisory Committee meetings. The Advisory

Committee shall be a forum for its members to be apprised of MISO's activities and to provide information and advice to the Board on policy matters of concern to the Advisory Committee, or its constituent stakeholder groups, but neither the Advisory Committee nor any of its constituent groups shall exercise control over the Board or MISO. Nothing in the MISO Agreement shall prohibit a corporate or other entity from participating in more than one stakeholder group provided it meets the approved eligibility criteria. The reports of the Advisory Committee and any minority reports shall be presented by the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President) to the Board. The Board shall determine how and when it shall consider and respond to such reports. The Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President) shall inform the Advisory Committee of any Board determination(s) with respect to such report.

b. Members of the Advisory Committee shall be selected in the following manner:

i. The Owners' representatives on the Advisory Committee shall be selected in accordance with Section 6.2 of these Bylaws.

ii. The representatives of municipal and cooperative electric utilities and transmission-dependent utilities, IPPs and EWGs, power marketers and brokers, eligible end-use customers, and Coordination Members on the Advisory Committee shall be chosen by the Members belonging to such groups. Such Member groups shall propose to the Board their own methods of eligibility and voting. Approval by the Board of such

procedures shall not be unreasonably withheld.

iii. The representatives of state regulatory authorities on the Advisory Committee shall be chosen by the entities that regulate the retail electric or distribution rates of the Owners who are signatories to the MISO Agreement.

iv. The representatives of public consumer groups and environmental and other stakeholder groups on the Advisory Committee shall be chosen by recognized consumer, environmental, and other stakeholder organizations having an interest in the activities of MISO. The Board shall certify the organizations eligible to participate in the selection of such representatives to the Advisory Committee. Such certification shall not unreasonably be withheld. The groups so certified shall propose to the Board their own methods of eligibility and voting. Approval of such procedures shall not unreasonably be withheld.

v. Meetings of the constituent stakeholder groups represented on the Advisory Committee need not be open to the public.

c. In order to ensure appropriate representation on the Advisory Committee, the Board may change the size and composition of the Advisory Committee at three-year (3-year) intervals.

Section 6.2. ***Owners' Committee***. An Owners' Committee shall exist throughout the period of the MISO Agreement. The Owners' Committee shall consist of one (1) person representing each of the Owners who are signatories to the MISO Agreement. The Owners' Committee shall meet at its discretion to exercise the authority granted to the Owners as a group

under these Bylaws, including voting upon the matters set forth in Sections 4.7(b) and 6.1(b)(i) of these Bylaws, and under the MISO Agreement. The Owners' Committee shall select three (3) representatives to serve on the Advisory Committee established pursuant to Section 6.1 of these Bylaws.

Section 6.3. ***OMS Committee***. OMS Committee shall be the committee that is composed of members of the Organization of MISO States, established pursuant to the bylaws of the Organization of MISO States, having the responsibilities and rights defined in section I.B of Attachment FF of the Tariff and associated Business Practices Manual. The OMS Committee has the opportunity to provide input into the transmission planning, resource adequacy, and transmission cost allocation approach and processes, and may report periodically to MISO's Board. To enable it to exercise the authority described herein, the OMS Committee will be adequately supported by the Transmission Provider either through reasonable in-kind services or through the provision of reasonable funding.

ARTICLE VII

OPEN MEETINGS

Section 7.1. ***Open Meetings***. Except as provided herein, all meetings of the Board, all meetings of Board Committees and working groups, all meetings of the Advisory Committee and all Members' meetings shall be open to the public. Timely notice of such meetings and copies of all materials to be addressed at such meetings shall be provided to the members of the Advisory Committee, appropriate state regulatory authorities, and the FERC and posted on MISO's Internet World-Wide Web Site or equivalent form of electronic posting. The procedures adopted by the Board for the conduct of such meetings shall allow interested members of the public, including those stakeholders represented on the Advisory Committee, to provide oral and written

comments at such meetings concerning any matter that may come before the Board, Board Committees and working groups, Advisory Committee, or Members, whichever is applicable, during the open portion of such meetings.

Section 7.2. ***Minutes***. The meeting minutes of all meetings of the Board, Board Committees and working groups, Advisory Committee, and Members shall be made available to the public and furnished to appropriate state regulatory authorities and the FERC, upon request; provided, however, that materials or information which is privileged or confidential pursuant to Section 7.3 of these Bylaws may be redacted from such minutes. Copies of executed or final documents, such as contracts, leases, and agreements, not otherwise required to be treated as confidential shall be made available for review. In the event the basis for information being treated as confidential ceases to exist, said information shall thereafter be available for review.

Section 7.3. ***Executive Sessions to Preserve Confidentiality***. Executive sessions (closed to the public) shall be held as necessary to safeguard the confidentiality of (a) personnel-related information; (b) information subject to the attorney-client privilege or to confidential treatment under the attorney-work product doctrine or concerning pending or threatened litigation; (c) information that is confidential under Appendix A to the MISO Agreement; (d) consideration of assumption of liabilities, business combinations, or the purchase or lease of real property or assets; (e) except as may be required by law, consideration of the sale or purchase of securities, investments, or investment contracts; (f) strategy and negotiation sessions in connection with a collective bargaining agreement; (g) discussion of emergency and security procedures; (h) consideration of matters classified as confidential by federal or state law; (i) matters to protect trade secrets, proprietary information, specifications for competitive bidding, or to discuss a specific proposal if open discussion would jeopardize the cost or siting or give an unfair

competitive or bargaining advantage to any person or entity; and (j) discussion of proceedings by the Alternate Dispute Resolution Committee established under Attachment HH of the Tariff.

ARTICLE VIII

DUE DILIGENCE, LIABILITY, AND INDEMNIFICATION

Section 8.1. ***Due Diligence Duties***. It shall be the duty of Directors, Officers, employees, agents, and other representatives of MISO (a) to faithfully and diligently administer MISO as would reasonable and prudent persons acting in their own behalf; (b) to keep correct and accurate records of all business transacted; (c) to exercise prudence and economy in the business of MISO, including the minimization of tax liability, if any; (d) to act in good faith, and only for the best interests of MISO; (e) to annually render a full and correct account of MISO business; and (f) at the termination of MISO, to render and to deliver all the properties and funds of MISO in accordance with the MISO Agreement and applicable law.

Section 8.2. ***Limitations on Liability***. No Director, Officer, agent, employee, or other representative of MISO, and no corporation or other business organization that employs a Director of MISO, or any Director, Officer, agent, or employee of such corporation or other business organization, shall be personally liable to MISO, any Member, or any User for any act or omission on the part of any such Director, Officer, agent, employee, or other representative of MISO, which was performed or omitted in good faith in his official capacity as a Director, Officer, agent, employee, or other representative of MISO pursuant to the operation of the MISO Agreement, or in any other capacity he may hold, at the request of MISO, as its representative in any other organization. However, this release of liability shall not operate to release such a Director, Officer, agent, employee, or other representative of MISO from any personal liability resulting from willful acts or omissions knowingly or intentionally committed or omitted by him

in breach of the MISO Agreement, for improper personal benefit, or in bad faith. Directors, Officers, agents, employees, or other representatives of MISO also shall not be personally liable for any actions or omissions of others, including Owners, whose actions or omissions may relate to MISO, or any property or property rights forming, or intended or believed to form, part of MISO's property, or for any defect in the title to, or liens or encumbrances on, any such property or property rights.

Section 8.3. ***Indemnification***. MISO shall indemnify each Director, Officer, agent, employee, or other representative strictly in accordance with the terms and conditions of the Indemnification provisions of the MISO Agreement, Article II, Section VIII.

ARTICLE IX

AMENDMENTS

Section 9.1. ***Amendment***. These Bylaws may be amended by the Board from time to time, subject to the receipt of all necessary federal and state regulatory approvals, and provided that no amendment is contrary to the MISO Agreement.

ARTICLE X

MISCELLANEOUS MATTERS

Section 10.1. ***Dispute Resolution***. MISO shall resolve disputes between and among MISO and the Owners, individually or collectively, and Users other than the Owners, in accordance with the procedures set forth in Attachment HH of the Tariff.

Section 10.2. ***Inspection and Auditing Procedures***. MISO shall grant each Member, its employees or agents, external auditors, and federal and state regulatory authorities having jurisdiction over MISO or an Owner, such access to MISO's books and records as is necessary to verify compliance by MISO with the MISO Agreement and to audit and verify transactions

under the MISO Agreement. Such access shall be at reasonable times and under reasonable conditions. MISO shall also comply with the reporting requirements of federal and state regulatory authorities having jurisdiction over MISO with respect to the business aspects of its business operations, including, but not limited to, the State of Delaware. Contacts between Officers, employees, and agents of any Owner and those of MISO pursuant to this Section 10.2 shall be strictly limited to the purposes of this Section 10.2 and shall comply with the Standards of Conduct set forth in Appendix A to the MISO Agreement.

ARTICLE XI

WITHDRAWAL OR TERMINATION OF MEMBERS

Section 11.1. ***Withdrawal Notice***. A Member who is not an Owner may, upon submission of a written notice of withdrawal to the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President), withdraw from membership in MISO at any time, which withdrawal shall be effective thirty (30) days after the receipt of such notice by the Chief Executive Officer (or if the Board chooses not to elect the Chief Executive Officer, the President).

A Member who is also an Owner may withdraw under the procedures and rights specified in the MISO Agreement and shall be subject to the regulatory approvals referred to in that Agreement or as provided by applicable law. The effect of such withdrawal shall be as stated in that Agreement.

EISPC
EASTERN INTERCONNECTION STATES' PLANNING COUNCIL

EISPC September 2013 Update
OMS Board of Directors Meeting
Valerie Lemmie, EISPC Director

EISPC August 26-27 Meeting Highlights

- Continued training on EZ mapping tool; more webinars and demonstrations planned.
- Focus of meeting was our newly commissioned study and WP on long-term electric and natural gas infrastructure requirements:
    - Representatives from natural gas and electric sectors, industry associations, DOE, FERC, NERC, NAESB, RTOs, the National Labs and those who have or are planning studies on this topic—EIPC, NESCOE, WIEB—participated on panels and in roundtable discussions.
- Presentation given on the Stakeholder Collaboration Process developed by Pacific Northwest National Lab (PNNL).
- The meeting agenda and all presentations are on our website. The Webinar recording of the meeting will soon be available on the NARUC home page.
- We will have a collaborative of EISPC member jurisdictions, interested parties and stakeholders and a future webinar for additional input on the long-term electric and natural gas infrastructure requirements work.

EISPC October 28-29 Meeting Topics

- EISPC.2 Future Vision
- Risk Analysis (co-optimization work completed and EPRI could update us on their work on the probabilistic risk assessment)
- Natural gas/ electric infrastructure update (end users, planning coordinators, RSCs, federal officials, consultants)

OTHER

- We have vacancies on our workgroups and committees. Please check our website, www.eispc.org or http://communities.nrri.org/web/eispc/community-home-and-charter.
- We look forward to joining you next month at your annual meeting.
- Please double check your state's EISPC proxy list for accuracy. If you have updates, please send me an email at valerie.lemmie@eispc.org.
- Let us know at your earliest convenience if you have any edits to the public policy inventory developed by CESA—they will be finalizing the inventory over the next few weeks.

OMS Markets and Tariffs Work Group Status Report For 9/19/13 OMS Board Meeting

1. MISO Market Enhancement Development Project

Status: Next meeting November 13, where MISO expects to seek stakeholder feedback of its draft vision. Considering providing feedback comments. Focus Area survey due 9/20.

At its September 6th Market Vision Workshop, MISO presented its draft strategy with a Market Vision, four Guiding Principles, and seven Focus Areas. MISO has asked for feedback to refine these so it can work on a Market Enhancements Roadmap

The work group held a call on September 11 and discussed about how to respond to the MISO's request. The work group decided to seek the Board's direction whether OMS will file comments as OMS or as individual states.

MISO extended the deadline for the Market Vision Focus Area Survey to September 20, so we sent another note to the work group inviting those that did not yet respond to do so this week.

2. MISO September 3 MSC Meeting

Status: The OMS M&TWG is monitoring. SOM recommendations priorities survey due 9/20.

Items covered include review of Prioritization of the 2012 IMM State of the Market Recommendations, MISO plans to discontinue Transmission Constraint Dead Bands, Virtual Spread Product update and Scheduling rule change (pending FERC approval).

MISO seeks stakeholder input in prioritizing the IMM's recommendations from the 2012 State of the Market (SOM) Report. The work group held a call on September 11 to discuss a possible response and agreed that each state should submit its own response. The summary of the call was sent out along with a straw survey response. The survey is due to MISO by September 20.

3. MISO September 4 FTRWG Meeting

Status: The OMS M&TWG is monitoring.

Items covered include review of FTR Projects and Prioritization survey results, ARR Service Request proposal, and ARR/FTR implications of MISO South – MISO Midwest dispatch flow limit.

For those interested, please note the following MISO meetings:

MISO Board of Dirs Markets Committee – bi-monthly meetings (10/23 next mtg)
MISO Market Subcommittee - monthly meetings (10/1 next mtg)
MISO FTR Working Group – monthly meetings (10/2 next mtg)
Market Vision Workshops – Next meeting (11/13)

The **OMS Markets and Tariffs Work Group** covers: Energy and Operating Reserve markets, Market Monitoring and Mitigation. See
http://www.misostates.org/index.php/work-groups-2/workscopereference/63-markets-a-tariffs-workscopereference
http://www.misostates.org//images/stories/work_groups/2013OMSworkgroupOvervie_28_February2013.pdf
Bill Bokram and Hwikwon Ham, Markets and Tariffs Work Group co-chairs

OMS Regional Planning Work Group
Report to OMS Board of Directors – September 19, 2013
(Co-Chairs Jessica Govindan and Julie Urban)

PAC Update

At the last PAC meeting MISO provided an update on the status of the MTEP 13 draft report and asked for substantive feedback. Expect a PAC motion for the September 18th PAC meeting to approve the MTEP 13 Report. MISO also mentioned that the three MEP's currently in MTEP 13 Appendix B could be approved as early as June 2014, which would activate the competitive developer selection process for these projects.

MISO has begun the development phase of the competitive developer bid process in light of the January 2014 effective date for the proposed ROFR elimination processes. MISO will also update the Transmission Planning BPM to reflect these developments. It appears that MISO will be tackling the development and BPM update with each stage of this new bidding process months before each stage is slated to begin. The RPWG will continue to follow this closely.

MISO also discussed the latest updates to the BPM language defining the enhanced OMS role within the transmission planning process and asked for stakeholder feedback. Lastly, the Nelson-Dewey Out-of-Cycle project was approved at the last PAC meeting.

FERC Order 1000 Update

MISO filed their Interregional Compliance Filings on July 10th and their Regional Compliance Filing on July 22nd. Interveners filed comments on September 9th, including OMS.

NIPSCO 206 Complaint (EL13-88)

Related to the FERC Order 1000 Interregional filings, NIPSCO filed a separate Section 206 filing to address current flaws in the MISO-PJM Joint Operating Agreement. The WG co-chairs, along with other WG chairs would like to recommend that OMS intervene in this docket to provide for any future opportunities should OMS want to submit comments.

OMS Resources WG Report to OMS Board – September 19, 2013

MISO/OMS LSE Long Term Resource Adequacy Survey

At the end of last week 29 survey responses were received by MISO. The original deadline of Sept. 13 was changed to Sept. 20 to reflect a delay in the send out. Some entities have notified they will comply incompletely on the 20th or later with some slight delay. Partly attention is being made with the Retail Choice Areas on the response coordination with electric distribution companies to be sure all the load is captured. The common issues list was posted September 9th.

MISO plans to update the MISO Board at the October meetings. MISO will work with OMS on this communication. How OMS participates has not been finalized.

SAWG Requested Comments

After the September 5th SAWG meeting MISO requested comments on four issues. The Resources WG is working on two of the most important ones. Each issue is has an open date, but with other surveys and upcoming meetings, one will be technical comments by staff and the other is being offered to the OMS Board for consideration of their endorsement.

1st Item - Reliability Requirements in the Planning Resource Auction

This item has been reviewed since July with different aspects of the construct such as the sloped demand curve, how to calculate the local clearing requirement in a zone have been the two main issues at this time. The sloped demand curve has been a part of the IMM's recommendations in several forums including his State of the Market report. The Resources WG has started comments on this topic and that document is up to 4 pages. In our WG call this week, it was jointly decided to move it to a whitepaper style. This paper will be available before the next OMS Board meeting October 17th.

2nd Item – MISO Capacity Planning Year and the EPA MATS timeline

The EPA Mercury and Air Toxics Standards (MATS) ruling will be effective for generation owners on either April 16, 2015 or April 16, 2016 if the generator was granted a waiver by the relevant state agency. The MISO planning year is 12 months June - to May of the following year. There will be likely a six week "MATS gap" for some units who will retire rather than add control technologies or switch to natural gas. MISO initial suggest six alternatives to deal with the off-peak stub planning issue.

A) The IMM favors a formal tariff change to exempt units from the daily must-offer requirement since they will not be available. Also they are not available for the planning period and others suggest the generator buy replacement capacity through a market based system. A tariff change would have to move quickly now for implementation for coming planning year.
B) Most participates favor a use of the existing outage coordination process and existing limits on some generation which has restricted operating hours to due to environmental permits to limit emissions out of a plant. This would need a significant lead time MISO assessment of the plant location, local resource zone, LSE planning reserve requirements, etc. This is an immediate issue as the planning resources for next year is underway and the planning resource auction is next March. Since the EPA MATS ruling is a one-time event, most favor a MISO request a waiver with appropriate documentation that reliability will not be compromised for the six weeks at the end of April through May.
C) There can be other variations of a "no tariff change" path.

The Resources WG is drafting some observations on the discussion and comments so far.

The next SAWG meeting is October 3.

MISO Resource Adequacy Order and MOPR

On August 12, FERC issued an Order Initiating Briefing Procedures (Docket No. ER11-4081-001) which concerns the Minimum Offer Price Rule. The Market Monitor and the Capacity Suppliers raised concerns about the incentive of LSE's to depress capacity prices. Dr. Patton has likely reduced his concerns on this MOPR item per recent discussions. The brief were delayed to October 20th. No detailed plan on whether to join a group of respondents has been decided.

By: Don Neumeyer, Co-Chair Resources Work Group.

OMS Seams Work Group
September 2013 Report to OMS Board of Directors

Co-Chairs: Adam Mckinnie and Chris Devon

MISO PJM JCM Initiative Update

Continuing along the same lines and in the direction of previous efforts, recent OMS and OPSI efforts in the JCM initiative have been focused specifically on the developing JCM work plan.

MISO and PJM held a special JCM conference call for stakeholder discussion and input into the JCM work plan on August 23rd.

MISO and PJM presented an agreed upon draft work plan and timeline that was comprehensive and included plans for each of the major JCM issues.

Stakeholders made it clear that they believe there should be robust stakeholder involvement in the capacity deliverability fact finding effort that was requested by OMS and OPSI. Other stakeholder comments on the fact finding indicated an interest in exploring how the physical operation of the systems and third party impacts would impact the results.

The next JCM meeting is scheduled for Friday, September 20, at the PJM conference center in Norristown, Pennsylvania. Meeting information and materials, including the draft work plan and timeline, can be accessed at: MISO's website. Interested Seams WG staff and other OMS staff are encouraged to join the meeting and participate.

The RTOs will make a joint filing to FERC providing the work plan and timeline for each JCM issue. This filing will be made shortly after the September 20 JCM meeting.

While the RTOs plan to file the work plan jointly they may still not be in total agreement on how concrete the finality of the work plan and time line will be, even though they will file it jointly both RTOs made it clear they would take the opportunity to also provide FERC with their own views on the possibility of the need, or lack thereof, to reevaluate the schedule as time and work progresses.

MISO SPP Seam Update

MISO and SPP held their third joint stakeholder meeting in Carmel, Indiana on Thursday, September 12. Discussions continued on the relevant issues, including:

(1) unidentified loop flows;

(2) equity issues on how to measure the amount of "market flow" RTOs are able have on each other's facilities; and

(3) concerns of the impact of integrating Entergy into MISO.

The first two issues, especially unidentified loop flow, are ones that SPP would like to see resolved before MISO and SPP implement a “Market to Market” congestion management process in April 2015, similar to the one used by MISO and PJM.

Concerns on integrating Entergy into MISO, and any resulting changes in energy flow, appear to be issues of equity and potential monetary compensation instead of reliability.

SPP and MISO have pledged to continue working together on these issues. SPP and MISO technical staffs are holding calls at least monthly to discuss such topics. The next joint stakeholder meeting is currently scheduled for Friday, November 22, in Dallas.

TCAWG Monthly Report for September 19, 2013 OMS Board Meeting

MISO Transmission Formula Rate Protocols
FERC Docket No. ER13-2379: MISO/MISO TOs
FERC Docket No. ER13-2375: Vectren
FERC Docket No. ER13-2376: NIPSCO
FERC Docket No. ER13-948: Entergy Companies

On May 17, 2012 FERC issued an Order directing MISO and the MISO Transmission Owners to modify their existing formula rate protocols which set forth the process by which the formula transmission rates are updated each year. The compliance filings were filed on September 13, 2013.

Comments due: October 4, 2013

Section 206 Complaint on MISO-PJM Cross Border Transmission Planning
FERC Docket No. EL13-88-000

On September 11, 2013, Indiana utility and MISO Transmission Owner Northern Indiana Public Service Company (NIPSCO) filed a Section 206 complaint regarding the cross border planning processes for MISO and PJM. NIPSCO asserts that the failure of the transmission planning process under the JOA results in unnecessary congestion costs and unjust and unreasonable rates.

NIPSCO filed the 206 complaint to raise issues that go beyond the scope of the Order 1000 compliance filings. NIPSCO's six major points are:

> (1) The MISO / PJM cross border planning process should run concurrently with the MTEP and RTEP planning cycles and not consecutively.
>
> (2) There should be consistency between the PJM and MISO planning analysis. While the RTOs have regional differences, both entities should be consistent in their application of reliability criteria and modeling assumptions.
>
> (3) MISO and PJM should have one criteria for the approval of CBMEPs. The current and proposed changes to the JOA do not streamline the process but instead add delays, complications, and further administrative hurdles.
>
> (4) The criteria for approval of a CBMEP should be amended to address all known benefits including, more specifically, avoidance of future M2M payments made to reallocate short-term transmission capacity in the realtime operation of the system.
>
> (5) MISO and PJM should be required to have a process for joint planning and cost allocation of lower voltage and lower cost upgrades for cross-border

projects.

(6) MISO and PJM must improve the processes within the JOA with respect to new generator interconnections and generation retirements.

Comments due: October 1, 2013

Interregional Order 1000 Comments

On September 9, 2013, numerous parties, including the OMS, filed comments at FERC on the relevant FERC Order 1000 MISO compliance filings for interregional planning and cost allocation.

Timeline for Consideration of New Metrics for Market Efficiency Projects, 2013-14

At the August Regional Expansion Criteria and Benefits (RECB) Task Force meeting, MISO proposed a timeline to evaluate new metrics to include in the analysis of Market Efficiency Projects (MEPs). The metrics will be discussed during the rest of 2013 with a vote by the Task Force members. Any tariff filing would be made in the first quarter of 2014.

October 17, 2013: Review detailed proposals on benefit calculation and cost allocation methodologies.
November 14, 2013: 1) Review stakeholder feedback on methodology proposals; 2) Continue methodology discussion.
January 2014: 1) Review project examples applying benefit metric methodology; 2) Request stakeholder feedback on proceeding with development of Tariff language.
February 2014: Review stakeholder feedback on proceeding with development of Tariff language.
March 2014: Decision on proceeding with development of Tariff language and FERC filing.