



**ORGANIZATION OF MISO STATES, INC.
Board of Directors Meeting
Conference Call Minutes
June 12, 2014**

Approved July 17, 2014

Eric Callisto, President of the Organization of MISO States, Inc. (OMS), called the June 12, 2014 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:

Colette Honorable, Arkansas
Randy Rismiller, proxy for John Colgan, Illinois
Angela Weber, Indiana
Libby Jacobs, Iowa
Linda Breathitt, Kentucky
Noel Darce, proxy for Eric Skrmetta, Louisiana
Sally Talberg, Michigan
Burl Haar, proxy for David Boyd, Minnesota
James Richardson, proxy for Brandon Presley, Mississippi
Adam McKinnie, proxy for Robert Kenney, Missouri
Kirk Bushman, Montana
Phil Movish, proxy for Jason Williams, City of New Orleans
Jerry Lein, proxy for Brian Kalk, North Dakota
Greg Rislov, proxy for Gary Hanson, South Dakota
Richard Greffe, proxy for Ken Anderson, Texas
Eric Callisto, Wisconsin

Absent

Manitoba

Agency members participating

Bert Finzer – Arkansas
Linda Wagner – Illinois
David Johnston – Indiana
Angie Butcher, Al Freeman, Bonnie Janssen – Michigan
Kim Moran – Montana
Andrew Kell, Don Neumeyer, Randel Pilo – Wisconsin

Others on the call

Ross Baker, Rob Berntsen, Lori Spence – MISO
Bill Smith, Tanya Paslawski (?), Colleen Dougherty, Julie Mitchell – OMS Staff

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

Approval of Minutes from May 15th Open & Closed Board Meetings

The minutes were accepted as submitted.

Treasurer's Report

The May 2014 treasurer's report was accepted as submitted.

Review of the May 29, 2014 Executive Committee Meeting:

Libby Jacobs highlighted the following items from the meeting:

- Agreed to co-sponsorship of MGA Transmission meeting;
- EPA 111d rule discussion;
- EGEAS Training;
- Discussion about OMS draft comments on MISO Resource Adequacy Principles and request for additional time from MISO;

Executive Director's Report

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

- The upcoming work group chairs meeting and IMM luncheon in St. Louis during MISO Week.

BUSINESS

1. MISO Advisory Committee

- The May 21, 2014 Advisory Committee Meeting was cancelled and there will be no June, 2014 meeting.

2. MISO Planning Advisory Committee

- Sally Talberg reported that the PAC has not met since the last OMS Board Meeting;
- Dave Johnston provided an update on two sets of comments on Generation Shift future that MISO uses to study market efficiency projects. He also noted there is an out of cycle transmission request from ITC Midwest involving three substation projects and one breaker project;
- The backfill business practice manual will also be up for a vote at the next PAC meeting.

3. Approval of IRS Form 990 (annual report of non-profit organization)

- This item was tabled during the May 15th meeting to allow for further review by the Board;
- Bill Smith presented the IRS Form 990;

The Board approved filing the document by acclamation.

4. Update: MISO-SPP Complaint Dockets

- Bill Smith updated the Board on the FERC Settlement conference that took place on June 3rd.
- Randel Pilo discussed FERC's order approving MISO's use of the 1000MW power balance constraint between MISO North and MISO South.

5. Possible Action Item: MISO Prohibited Investments, FERC Docket ER14-1970

- Bill Smith provided background on this issue and MISO representatives took questions from the Board.
- Bill Smith's procedural recommendation is until OMS sees the list and what's on it; it is impossible to comment to FERC on it. Therefore, OMS should do the following: file a late intervention and suggest FERC suspend the filing for a nominal suspension period, so that it would go into effect by July 1; request a technical conference following a review period to allow for the consideration of any alterations that OMS would request from MISO.
- The Board approved Bill Smith's recommendation and instructed him to proceed in that manner.

6. Action Item: Comments to FERC on Formula Rate protocol compliance filings, Docket ER13-2375 *et al*

- Randy Rismiller gave a brief overview of the comments.

Libby Jacobs moved to file the comments due on June 9th. Linda Breathitt seconded. The motion passed by voice vote, with Mississippi abstaining and Manitoba absent.

7. Discussion: EPA 111d Rule

- Eric Callisto led the Board in a discussion regarding the recently released EPA's 111d rule.
- He asked for volunteers to continue the discussion with MISO to find common ground between the individual states and the RTO in terms of modeling and analysis. Members were instructed to email Eric Callisto, Bill Smith, or Tanya Paslawski if they are interested in participating.

8. Update: Comments to MISO on Resource Adequacy Principles

- Eric Callisto indicated that the deadline for comments has been extended to July 9th.
- After discussion, Don Neumeyer said the Resources Work Group should have comments by the end of June.
- If a call is needed, a special meeting will be scheduled for June 26th in conjunction with the Executive Committee meeting.
- Illinois indicated that their opinion is MISO should not have Resource Adequacy Principles because FERC has not made them responsible for Resource Adequacy under Order 2000.

Updates and Work Group Status Reports

Administrative Ad Hoc WG

- Burl Haar provided a brief verbal update. A written report was submitted;

Demand Response WG

- Andrew Kell provided a verbal update on the work group's response to Order 724;

Transmission Cost Allocation WG

- No report;

Markets and Tariffs WG

- Al Freeman highlighted the upcoming IMM meeting and MISO's MSC call on the market enhancement development project. A written report was submitted;

Resources WG

- A written report was submitted;

Regional Planning WG

- Dave Johnston highlighted an out-of-cycle project in the MISO South region and several items from the written report. A written report was submitted;

Governance and Budget

- Burl Haar reported the main focus of this work group has been the MISO investments issue;

Seams WG

- Adam McKinnie noted there was work going on with PJM on the JCM project. A written report was submitted;

ADJOURNMENT

The meeting of the OMS Board of Directors meeting adjourned at 2:45 pm CDT.

The Organization of MISO States Board of Directors will hold its monthly meeting via conference call Thursday, June 12, 2014 at 1:00 pm (Central).

- Call-in number is **866-554-6142**. The conference code is **1385092764** followed by the # sign.
- Board members who cannot attend the call should notify Secretary Linda Breathitt (Linda.Breathitt@ky.gov) with a copy to Julie at OMS (julie@misostates.org) to designate a proxy for this meeting.

Agenda

Call Meeting to Order – President Eric Callisto 1:00
Attendance, Recognition of Proxies, Declaration of a Quorum
Approval of Minutes – May 15 Board meeting
Treasurer’s Report – May 2014 – Colette Honorable
Review of Executive Committee meeting – May 29, 2014

Administrative Update

Report from the Executive Director 1:05

- Work Group Chairs meeting, June 17 in St. Louis
- Discussion with Market Monitor, June 18 in St. Louis

Business

1. MISO Advisory Committee – May 21 meeting cancelled; no June meeting 1:10
2. Planning Advisory Committee – Sally Talberg, next meeting June 25 1:15
3. Approval of IRS Form 990 (annual report of non-profit organization) 1:25
4. Update: MISO-SPP complaint dockets 1:30
5. Possible action item: MISO Prohibited investments, FERC Docket ER14-1970 1:35
6. Action item: Comments to FERC on Formula Rate protocol compliance filings
Docket ER13-2375 *et al.* 1:45
7. Discussion: EPA 111d Rules 1:55
8. Update: Comments to MISO on Resource Adequacy Principles 2:10

OMS Work Group Status Reports

a. Demand Response WG
b. Transmission Cost Allocation WG
c. Markets and Tariffs WG
d. Resources WG
e. Regional Planning WG
f. Governance and Budget WG
g. Seams WG
h. Administrative WG

Announcements

- Next OMS Executive Committee meeting: Thursday, June 26, 2014 at 1:00 pm CT
- Next regular OMS Board of Directors meeting: Thursday, July 17, 2014 at 1:00 pm CT

Adjourn 2:30

OMS

**Organization of MISO States
Report of the Treasurer
Chairman Colette Honorable, Arkansas Public Utilities
Commission
to the Board of Directors
Report for May 2014**

CASH ON HAND

The beginning balance for the Wells Fargo Business Performance Savings Account on May 1 was \$25,332.33. Interest earned for this month totaled \$0.64 and there was no other activity. The May 31, 2014, ending balance was \$25,332.97.

The beginning book balance for the Chase Bank One Checking account on May 1 was \$178,460.55. The total disbursements from the checking account for May 2014 amounted to \$41,581.61. Deposits, interest and adjustments were \$61,558.36, which includes one month of MISO funding transactions. As of May 31, 2014, the checking account bank balance was \$198,437.30 (with 2 check payments outstanding) and the book balance was \$198,030.05.

The total savings plus checking account balance as of May 31, 2014, is \$223,770.27.



TREASURER'S REPORT
Organization of MISO States
May 31, 2014

Wells Fargo Business Performance Savings Account

Book Balance as of 4/30/14			\$ 25,332.33
5/31/2014	DEP	Interest on Savings	\$ 0.64
			\$ 25,332.97

Chase Bank One Commercial Checking with Interest

Book Balance as of 4/30/14			\$ 178,460.55
5/19/14	ACH	Midcontinent ISO	\$ 60,000.00
5/19/14	DEP		\$ 179.80
5/29/14	DEP	WF Payroll Services	\$ 1,377.00
5/30/14	DEP	Interest on checking	\$ 1.56
Total Deposits			\$ 61,558.36

Checks and Charges

Date	Check #	Descriptions	
05/07/2014	w/d	VISA (Chase Bank One)	\$ 6,006.11
05/07/2014	4703	100 Court Investors LLC	\$ 1,829.69
05/07/2014	4715	Wisconsin PSC (Eric Callisto)	\$ 1,302.72
05/07/2014	4714	Wisconsin PSC (Don Neumeyer)	\$ 706.55
05/07/2014	4713	Walt Cecil (MO)	\$ 382.08
05/07/2014	4710	Chris Devon (MI)	\$ 161.93
05/07/2014	4704	Combined Systems Technology (CST)	\$ 159.00
05/07/2014	4709	Bonnie Janssen (MI)	\$ 143.95
05/07/2014	4711	Darren Kearney (SD)	\$ 136.32
05/07/2014	4712	State of Michigan (C. Devon)	\$ 118.21
05/07/2014	4706	Diversified Management Services (DMS)	\$ 97.50
05/07/2014	4707	Triplett Office Essentials	\$ 96.77
05/07/2014	4708	Bill Smith	\$ 48.45
05/07/2014	4705	Crystal Clear Water	\$ 17.27
05/13/2014	4719	Richard Greffe (TX)	\$ 639.43
05/13/2014	4720	State of Iowa (V. Bujimalla)	\$ 627.94
05/13/2014	4718	Linda Breathitt (KY)	\$ 618.71
05/13/2014	4721	Wisconsin PSC (Eric Callisto)	\$ 617.17
05/13/2014	4716	Al Freeman (MI)	\$ 140.14
05/18/2014	4722	Bonnie Janssen (MI)	\$ 27.85
05/19/2014	4726	Wisconsin PSC (J. Wheeler)	\$ 527.14
05/19/2014	4724	State of Michigan (B. Janssen)	\$ 137.71
05/20/2014	4728	Customized Energy Solutions	\$ 3,500.00
05/20/2014	4727	Conference Suite	\$ 755.44
05/20/2014	4730	Qwest/CenturyLink	\$ 228.72
05/20/2014	4731	Triplett Office Essentials	\$ 125.81
05/20/2014	4729	Premier Copiers	\$ 51.36
05/21/2014	4732	Bill Smith	\$ 67.99
05/28/2014	w/d	WF Payroll Service - Net Wages	\$ 14,263.78
05/28/2014	w/d	WF Payroll - Taxes	\$ 6,558.08
05/28/2014	w/d	WF Payroll - DED Wages & Other Benefits	\$ 1,377.17
05/28/2014	w/d	WF Payroll Service - Processing Fee	\$ 54.02
05/29/2014	w/d	WF Payroll Service - Processing Fee	\$ 56.60
Total Disbursements - Checks and Charges			\$ 41,581.61

CHECKING ACCOUNT BALANCE at 5/31/14 \$ 198,437.30

TOTAL Certificates of Deposit, Savings and Checking Account Balances as of: 5/31/14 \$ 223,770.27

CHASE CHECKING ACCOUNT RECONCILIATION

Bank Balance 5/31/14			\$ 198,437.30
Less Checks Outstanding			
	4723	Sally Talberg (MI)	\$ 223.82
	4725	Susana Woolcock (MI)	\$ 183.43
Total Outstanding Checks			\$ 407.25
Book Balance 5/31/14			\$ 198,030.05



OMS Treasurer Report for Month of May 2014

Wells Fargo Business Performance Savings Account

Beginning Balance	25,332.33	
Interest Earned this Month	0.64	
Ending Balance		<u><u>25,332.97</u></u>

Chase Bank One Checking Account

Beginning Balance	178,460.55	
Total Disbursements	(41,581.61)	
Deposits/Interest/Adjustments	<u>61,558.36</u>	
Ending Bank Balance		<u><u>198,437.30</u></u>
Bank Balance	198,437.30	
Outstanding Deposits	0.00	
Outstanding Checks	<u>(407.25)</u>	
Book Balance	<u><u>198,030.05</u></u>	

Total Savings & Checking Balances as of May 31, 2014

223,770.27

2 checks outstanding at 5/31/14



Organization of MISO States

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OMS Executive Director Report June 6, 2014

OMS Deputy Executive Director

Tanya Paslawski has joined OMS as Deputy Executive Director.

FERC Issues

1. A second settlement conference was held on June 3 on the MISO-SPP unscheduled power flows controversy, at which MISO offered a settlement proposal. Parties continue to work toward a settlement. A further conference is scheduled for August. Docket ER14-1713 *et al.*
2. On May 23, the US Court of Appeals for the D.C. Circuit vacated FERC's Order 745 which provides for demand response to participate in wholesale markets.

OMS Documents Filed

1. Related to the SPP-MISO dispute, on May 16 OMS filed in support of the transmission owners' stay request and the Market Monitor's rehearing request.

Recent and Upcoming MISO filings

1. MISO filed to enlarge its Board of Directors by adding one new member this year and another next year so that there would be nine Directors. Docket ER14-1835.
2. MISO filed revisions to the Transmission Owners Agreement concerning prohibited investments by employees and directors, requesting that the revisions become effective July 1. Docket ER14-1970.

Public Relations

1. Presentations:
 - N/A
2. Pending speaking/meeting invitations:
 - OMS has been invited to participate in a panel at Morningstar's investment management conference in Chicago September 17.
 - OMS has been asked to advise the Multistate Tax Commission on understand wholesale electric markets at its summer meetings, July 28-31. The MTC is a compact organization of state tax officials to facilitate equitable apportionment of tax bases of multistate taxable entities, including utilities and energy companies.

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

Midcontinent Independent
System Operator, Inc.

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Docket Nos. ER13-2379-003

**MOTION TO FILE COMMENTS OUT OF TIME AND
COMMENTS OF THE ORGANIZATION OF MISO STATES**

Pursuant to Rule 211 and 212 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (“Commission”), 18 C.F.R. § 385.211 and 385.212, the Organization of MISO States (“OMS”) respectfully submits the following motion to file comments out of time and comments in the above-captioned docket in response to the *Compliance Filing Revising Attachment O Formula Rate Protocols* filing submitted to the Commission by the Midcontinent Independent System Operator, Inc. (“MISO”) and the MISO Transmission Owners on May 19, 2014 (“May 19 Filing”). On May 19, 2014, the Deputy Secretary of the Commission issued a notice regarding the May 19 Filing, setting June 9, 2014, as the deadline for comments and protests.

The OMS filed a Notice of Intervention on September 20, 2013, Comments on October 18, 2013, an Answer on December 5, 2013 and a Request for Rehearing on April 4, 2014 in the above captioned docket. The OMS, therefore, is a party to these proceedings.

I. MOTION TO FILE COMMENTS OUT OF TIME

Pursuant to Rule 212 of the Rules of Practice and Procedure of the Commission, 18 C.F.R. §385.212, the OMS submits this motion to file comments out of time in the above-captioned docket. The members of the OMS are the state utility regulatory commissions in the

MISO footprint. Because the outcome of this proceeding will have an impact on ratepayers in the MISO footprint, the OMS' comments are in the public interest. The filing deadline established by the Commission in this case fell in between regularly scheduled meetings of the OMS Board of Directors. The OMS Board took up this issue at the earliest possible regularly scheduled Board meeting following the May 19 Filing.

With these comments, the OMS does not wish to disrupt or delay the proceeding and accepts the record to date. Because no other party can adequately represent the interests of the OMS' members, and because the OMS Board acted as timely as possible given its meeting schedule, good cause exists to grant this motion.¹ As such, the OMS respectfully requests that the Commission grant this motion to file comments out of time.

II. SUMMARY OF THE OMS' POSITION AND RECOMMENDATIONS

The OMS requests that the Commission find the May 19 Filing not in compliance on five points:

- (1) A formal challenge need not have been preceded by an informal challenge on the same issue, but must have been preceded by an informal challenge on some issue (“*any* issue”). The filing parties' compliance error with regard to this issue and the OMS' recommendation for correction is described in Section IV.A.1 of these comments.
- (2) A party submitting a formal challenge cannot be required, as a condition for submitting the formal challenge, to explain why it did not pursue an informal challenge on the particular issue on which it seeks to pursue the formal challenge. The filing parties' compliance error with regard to this issue and the OMS' recommendation for correction is described in Section IV.A.2.a of these comments.
- (3) Because using the process for challenge specified in the protocols to pursue challenges to the filed rate formula itself is not permitted, clarifications are needed so that challenges are properly focused on alleged violations of the protocols or the application of the rate formula, rather than the rate formula itself. This issue is addressed in Section IV.A.2.b of these comments.

¹ See, *Trans Alaska Pipeline System, et al.*, 104 FERC ¶ 61,201, at 61,706 (2003) and *Natural Gas Pipeline Company of America*, 66 FERC ¶ 61,310 (1994) (motion granted for good cause shown).

- (4) Formula rate protocols cannot bar statutorily permitted Section 206 complaints and protocol language that obscures this right is inappropriate. The filing parties' compliance error with regard to this issue and the OMS' recommendation for correction is described in Section IV.B of these comments.
- (5) Existing tariff protocol language regarding "construction schedules and in-service dates" that the Commission had previously approved was improperly deleted. The filing parties' compliance error with regard to this issue and the OMS' recommendation for correction is described in Section IV.C of these comments.

The OMS requests that the Commission direct MISO and the MISO TOs to correct these compliance errors as described herein and further direct them to submit a new compliance filing with those corrections.

III. BACKGROUND

On May 17, 2012, the Commission issued an *Order Initiating Investigation of Formula Rate Protocols and Establishing Paper Hearing Procedures* instituting an investigation pursuant to section 206 of the Federal Power Act to determine whether the formula rate protocols under the MISO Tariff are sufficient to ensure just and reasonable rates.² To address whether MISO's pro forma formula rate protocols and individual MISO transmission owners' ("MISO TOs") formula rate protocols on file with the Commission are sufficient, and to provide MISO, the MISO TOs and other interested parties an opportunity to comment on this investigation through written submissions, the May 17 Order established intervention and paper hearing procedures.

After receiving the submissions in the paper hearing process, on May 16, 2013, the Commission issued an *Order on the Investigation of Formula Rate Protocols*, finding that the MISO and individual company formula rate protocols are insufficient to ensure just and

² *Midwest Independent Transmission System Operator, Inc.*, 139 FERC ¶ 61,127 (2012) ("May 17 Order").

reasonable rates.³ Accordingly, the Commission directed MISO and the MISO TOs that use formula rates to file revised formula rate protocols.⁴

On September 13, 2013, in compliance with the Commission's May 16 Order, MISO and the MISO TOs filed proposed revisions to Attachment O of MISO's tariff to modify the existing formula rate protocols. On October 18, 2013, the OMS filed comments and recommendations regarding the September 13 filings made by MISO and the MISO TOs. On December 5, 2013, the OMS submitted an answer to pleadings made by some parties in these proceedings.

On March 20, 2014, the Commission issued an order conditionally accepting, subject to further compliance, the MISO TOs' September 13 filings.⁵ On April 4, 2014, the OMS submitted a request for rehearing of the March 20 Order. On May 19, 2014, the Commission issued a tolling order regarding OMS' request for rehearing. Also, on May 19, 2014, MISO and the MISO TOs filed the compliance filing on which the OMS comments herein.

IV. COMMENTS

A. Procedures for, and Contents of, Formal Challenges

1. Eligibility to Submit a Formal Challenge.

Section IV.G in Attachments A and B of the May 19 Filing states:

A party may not pursue a Formal Challenge if that party did not submit an Informal Challenge during the applicable Review Period.

The OMS is concerned that this provision is more restrictive than the Commission found permissible in the March 20 Order. In particular, the Commission stated:

Thus, while we are rejecting the proposal to prohibit interested parties from raising any issue in a formal challenge that was not previously raised in the course of that party's informal challenge, we retain the requirement that an interested party submit an informal challenge in order to be able to raise *any* issue in a

³ Midwest Independent Transmission System Operator, Inc., 143 FERC ¶ 61,149 (2013) ("May 16 Order").

⁴ May 16 Order, at P 1.

⁵ *Midcontinent Independent System Operator, Inc.*, 146 FERC ¶ 61,212 (2014) ("March 20 Order")

formal challenge, as this will encourage interested parties to actively engage throughout the process.⁶

The Commission made clear that, in order to be eligible to submit a formal challenge on a particular issue, a party must have participated in the informal challenge process and must have submitted an informal challenge on some issue (“*any issue*”), but need not have submitted an informal challenge on the particular issue pursued in the formal challenge. The Commission explained the rationale for its ruling including that, “an interested party’s awareness and understanding of an issue may evolve as new information becomes available through the course of the informal challenge process.”⁷ In light of the Commission’s clear directive, the OMS recommends that the Commission direct the underlined language to be added to Section IV.G as follows:

A party may not pursue a Formal Challenge if that party did not submit an Informal Challenge on *any issue* during the applicable Review Period.

2. Content Requirements for a Formal Challenge.

a. Clarification on the Necessary Prerequisite for Submitting a Formal Challenge.

Section IV.C(h) of Attachments A and B of the May 19 Filing sets forth a proposed list of content requirements for formal challenges. Included in this list is a requirement on the challenging party to state whether they raised in an informal challenge the specific issue on which their formal challenge is being submitted, and if not, describe why not. Specifically, Section IV.C(h) states:

(h) State whether the filing party utilized the Informal Challenge procedures described in these protocols to dispute the action or inaction raised by the Formal Challenge, and, if not, describe why not.

⁶ March 20 Order, at P 109, emphasis in original.

⁷ March 20 Order, at P 108.

Requiring interested parties to explain whether or not they raised a specific issue in an informal challenge prior to filing a formal challenge exceeds the requirement established by the Commission in the March 20 Order. In particular, the Commission ruled that the original proposal by MISO and the MISO TOs that would prohibit interested parties from raising any issue in a formal challenge that was not previously raised in the course of that party's informal challenge was unreasonable.⁸ As explained in Section IV.A.1 of these Comments, the Commission made clear that, in order to be eligible to submit a formal challenge on a particular issue, a party must have participated in the informal challenge process and must have submitted an informal challenge on some issue ("*any issue*"), but need not have submitted an informal challenge on the particular issue pursued in the formal challenge.

The proposal to require a party to explain whether or not they raised a specific issue in an informal challenge prior to raising that same issue in a formal challenge goes beyond the Commission's directive in the March 20 Order, and is not in compliance. Accordingly, the OMS recommends that the Commission direct Section IV.C(h) of Attachments A and B be revised to delete the language not in compliance and add the underlined language as follows:

(h) State whether the filing party utilized the Informal Challenge procedures described in these protocols ~~to dispute the action or inaction raised by the Formal Challenge, and, if not, describe why not~~ with regard to any issue.

b. Clarification that Challenges are on the "Application" of the Rate Formula Rather than on the Rate Formula Itself.

Section IV.C(1)(a) and IV.C(1)(b) of Attachments A and B require a party pursuing a formal challenge to identify and explain the action or inaction that "violates the filed rate formula or protocols." The challenge process generally addresses a transmission owner's update or projections that produce a charge under a formula rate. The annual update or forward

⁸ March 20 Order, at P 108.

projection is essentially that transmission owner’s application of the filed rate formula. The protocols establish the process by which the annual update or forward projection is conducted and reviewed. In light of this, the OMS recommends that each of these subsections be modified as follows:

- (a) Clearly identify the action or inaction which is alleged to violate the ~~filed rate formula or protocols~~ **or the application of the rate formula;**
- (b) Explain how the action or inaction violates the ~~filed rate formula or protocols~~ **or the application of the rate formula;**

These revisions will help clarify that the focus of the challenge is on alleged violations of the protocols or the application of the rate formula, rather than the rate formula itself. Revising these subsections as proposed here will also make them consistent with Section V.J. of the protocol which provides that “No party shall seek to modify the formula rate under the Challenge Procedures set forth in these protocols and the Annual Update shall not be subject to challenge by anyone for the purpose of modifying the formula rate.”

B. Formula Rate Protocols Cannot Bar Statutorily Permitted Section 206 Complaints.

Section IV.A of both Attachments A and B, as well as all of the Attachment Os of individual transmission owners address challenge procedures and state:

Failure to pursue an issue through an Informal Challenge or to lodge a Formal Challenge regarding any issue as to a given Annual True-Up or projected net revenue requirement shall bar pursuit of such issue with respect to that Annual True-Up or projected net revenue requirement, but shall not bar pursuit of such issue or the lodging of a Formal Challenge as to such issue as it relates to a subsequent Annual True-Up or projected net revenue requirement.

The OMS is concerned with the language “...shall bar pursuit of such issue with respect to that Annual True-Up or projected net revenue requirement...”, which could be interpreted to preclude a party’s statutory right to pursue a Section 206 complaint under the Federal Power Act.

The OMS notes the discussion in the Commission’s March 20 Order regarding the preservation of parties’ Section 206 filing rights,⁹ specifically, the Commission’s reference to a party’s “statutory right to challenge a transmission owner’s update or true-up by filing a separate complaint pursuant to section 206 of the FPA.”¹⁰

The OMS acknowledges the mention of an interested party’s Section 206 complaint rights in Section IV.I of Attachment A and B. However, in the interest of avoiding any confusion between the language in Sections IV.A and IV.I, and given the Commission’s clear and definitive statements in the March 20 Order regarding parties’ Section 206 filing rights, the OMS recommends that the Commission direct the inclusion of the underlined sentence as follows in Section IV.A:

Failure to pursue an issue through an Informal Challenge or to lodge a Formal Challenge regarding any issue as to a given Annual Update shall bar pursuit of such issue with respect to that Annual Update, but shall not bar pursuit of such issue or the lodging of a Formal Challenge as to such issue as it relates to a subsequent Annual Update. Nothing herein shall affect a party’s statutory right to challenge a transmission owner’s true-up adjustment or projected net revenue requirement by filing a separate complaint pursuant to section 206 of the FPA.

C. Expected Construction Schedules and In-Service Dates.

In its comments, the OMS recommended that the protocols require each transmission owner to provide interested parties with data and information on the procurement methods and cost control methodologies used by the transmission owner so that the interested parties have the means to assess prudence.¹¹ In the March 20 Order, the Commission ruled that the six factors detailing the content of information exchanges and document requests proposed in section III of

⁹ March 20 Order, at P 109-112.

¹⁰ March 20 Order, at P 109.

¹¹ OMS Comments, at 34-35.

the transmission owners' proposed Attachment O¹² including the requirement that the TOs provide "any other information that may reasonably have substantive effect on the calculation of the charge pursuant to the formula" adequately responds to OMS' concerns regarding the provision of information on procurement methods and cost control methodologies.¹³ In particular, the Commission determined that factor number five – "the prudence of actual costs and expenditures" - would allow interested parties to request information on the prudence of actual costs and expenditures.¹⁴

The OMS is not herein challenging the Commission's ruling with respect to the provision of information on procurement methods and cost control methodologies. However, the OMS notes that in the May 19 Filing, several MISO TOs¹⁵ deleted existing tariff language in Section VII of the protocol requiring the provision of information including "expected construction schedules and in-service dates." In particular, the MISO TOs deleted the following language:

No later than September 1 of the current year, [MISO TO] shall determine its projected net revenue requirement and load for the following year, in accordance with the Rate Formula Template in this Attachment O[MISO TO]. [MISO TO] shall make available to customers its projected net revenue requirement, including information in workpapers regarding projected costs of plant in forecasted rate base, expected construction schedules and in-service dates, load and resultant rates incorporating a True-Up Adjustment. All inputs shall be provided in sufficient detail to identify the components of [MISO TO's] net revenue requirement. Upon request, [MISO TO] will provide a description of the basis on which projects were planned either by the Transmission Provider or [MISO TO].

¹² The six factors are: (1) the extent or effect of an Material Accounting Change; (2) whether the Annual True-Up or projected net revenue requirement fails to include data properly recorded in accordance with these protocols; (3) the proper application of the formula rate and procedures in these protocols; (4) the accuracy of data and consistency with the formula rate of the calculations shown in the Annual True-Up or projected net revenue requirement; (5) the prudence of actual costs and expenditures; and (6) the effect of any change to the underlying Uniform System of Accounts; or (7) any other information that may reasonably have substantive effect on the calculation of the charge pursuant to the formula.

¹³ March 20 Order, at P 67.

¹⁴ March 20 Order, at P 67.

¹⁵ Michigan Electric Transmission Company, ITC Midwest, Northern States Power Companies, Great River Energy, Missouri River Energy Services, MidAmerican, Allete, Otter Tail Power Company, Ameren Transmission Company of Illinois (ATXI), Ameren Illinois Company, Montana-Dakota, and Dairyland Power Cooperative.

[MISO TO] will hold a customer meeting(s) to explain the formula rate input projections and cost detail¹⁶

The OMS recognizes that some modifications to that paragraph of the protocol may be necessary to conform with the decisions in the Commission’s March 20 Order. But deletion of the entirety of that paragraph, including its content with respect to “construction schedules and in-service dates,” is not in compliance with the Commission’s March 20 Order as that Order did not direct the deletion of that language from Section VII of the protocol. The Commission ruled that the MISO TOs that do not have Attachment O language regarding “construction schedules and in-service dates” need not add it, but the Commission did not direct the MISO TOs that already have that Commission-approved language in their Attachment O to delete it. In the May 16 Order, the Commission recognized the importance of interested parties having sufficient data and information to assess prudence by particularly stating:

we find that during the review period, interested parties must be allowed to obtain upon request information on procurement methods and cost control methodologies used by transmission owners in order to facilitate interested parties’ analysis of whether the transmission owners’ costs were prudently incurred.¹⁷

Accordingly, the OMS recommends that the Commission direct all MISO TOs whose Attachment O contained the referenced language in Section VII prior to May 19, 2014,¹⁸ to restore the content of that paragraph as follows:

[MISO TO] shall make available its projected net revenue requirement, including information in workpapers regarding projected costs of plant in forecasted rate base, expected construction schedules and in-service dates, load and resultant rates incorporating a True-Up Adjustment.

¹⁶ Attachment O, Section VII.

¹⁷ May 16 Order, at P 90, emphasis added.

¹⁸ The OMS would prefer that the provision regarding construction schedules and in-service dates be included in the Attachment O for all MISO TOs, but accept the Commission’s March 20 decision that the MISO TOs that do not already have the provision in their tariff need not include it for purposes of compliance.

The OMS particularly emphasizes the reference to “construction schedules and in-service dates” because that information is not otherwise provided for in the protocol.

V. CONCLUSION

Wherefore, the OMS requests that the Commission find the May 19 Filing not in compliance on five points: (1) a formal challenge need not have been preceded by an informal challenge on the same issue, but must have been preceded by an informal challenge on some issue (“*any issue*”); (2) a party submitting a formal challenge cannot be required, as a condition for submitting the formal challenge, to explain why it did not pursue an informal challenge on the particular issue on which it seeks to pursue the formal challenge; (3) because using the process for challenge specified in the protocols to pursue challenges to the filed rate formula itself is not permitted, clarifications are needed so that challenges are properly focused on alleged violations of the protocols or the application of the rate formula, rather than the rate formula itself; (4) formula rate protocols cannot bar statutorily permitted Section 206 complaints and protocol language that obscures this right is inappropriate; (5) several MISO TOs improperly deleted Commission-approved language in the existing tariff protocol with respect to “construction schedules and in-service dates.” The OMS requests that the Commission direct MISO and the MISO TOs to correct these compliance errors as described herein and further direct them to submit a new compliance filing with those corrections.

The OMS submits this pleading because a majority of the members have agreed to generally support it.¹⁹ Individual OMS members reserve the right to file separate comments regarding the issues discussed in this pleading.

Respectfully Submitted,

William H. Smith, Jr.

William H. Smith, Jr.

Executive Director

Organization of MISO States

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Tel: 515-243-0742

Dated: June 13, 2014

CERTIFICATE OF SERVICE

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

Dated at Tbilisi, Georgia, this 13th day of June, 2014.

William H. Smith, Jr.

¹⁹ The Mississippi Public Service Commission abstained from voting on this pleading. The Manitoba Public Utilities Board did not participate in this pleading.

1. MISO Market Enhancement Development Project

Status: monitoring

At the June 3, 2014 Market Subcommittee (MSC) meeting, MISO reviewed updated of initiative priority list based on new evaluation metrics.

Feedback is requested on prioritization of market enhancement candidate initiatives. MISO will schedule a special Market Subcommittee conference call on June 13 to discuss prioritized initiatives based on stakeholder feedback.

2. MISO June 3 Market Subcommittee (MSC) Meeting

Status: monitoring.

At the June 3, 2014 MSC meeting, MISO reviewed Update on Capacity Sharing Dispute (SPP), Update on Market Roadmap Development, Bi-Directional External Asynchronous Resources (EAR) Tariff Filing, FERC NOPR on Gas/Electric Scheduling, ELMP Parallel Operations Update , and Sub Regional Power Balance Constraint (SRPBC).

Feedback is requested on Market Roadmap Development, Order 764 Tariff Filing, and Bi-Directional External Asynchronous Resources (EAR) Tariff Filing.

3. MISO June 4 Financial Transmission Rights Working Group (FTRWG) Meeting

Status: monitoring.

At the June 4 meeting, workgroup discussed FTR Portal Performance, LTTR Impacts of TO Exit, ARR/FTR Modeling Plan, LZ/ARR Zone Publication Rule Change, LTTR nomination in Stage 1B, and Updates on ARR Service Request.

4. OMS call with the IMM

Status: Meeting on June 18

OMS/IMM lunch meeting with David Patton is scheduled on June 18.

For those interested, please note the following MISO meetings:

MISO Board of Dirs Markets Committee – monthly meetings (6/18 next mtg)

MISO Market Subcommittee – Sub-Regional Power Constraint Balance conference call (6/11)

MISO Market Subcommittee – Market Roadmap conference call (6/13)

MISO Market Subcommittee - monthly meetings (7/8 next mtg)

MISO FTR Working Group – monthly meetings (7/9 next mtg)

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/OMS2013WGOVeriewForWebsiteRevised23August2013.pdf

Hwikwon Ham and Al Freeman, Markets and Tariffs Work Group co-chairs

OMS Resources WG Report to OMS Board – June 12, 2014

Supply Adequacy Work Group

MISO RA Comments

MISO delayed the request for comments on the Resource Adequacy document until July 9th.

The Work Group will be combining all the OMS comments prepared for the OMS Executive committee meeting from May 29th.

Planning Resource Auction pricing

MISO is attempting to fix a tariff methodology flaw for pricing signals to a zone. The explanation is complex and has been presented about 3 times. Stakeholders are requesting another set of examples.

Combining LRZ 4 & 5

Dynegy does not believe MISO has included the stakeholder as required by the BPM for the decision to combine the Ameren Missouri and Illinois Local Resource Zones. More discussion at the June 12 LOLE/SAWG combination meeting.

By: Don Neumeyer & Walt Cecil, Co-Chairs Resources Work Group.

**OMS Regional Planning Work Group (RPWG)
Report to OMS Board of Directors – June 12, 2014
(Co-Chairs Julie Urban and Dave Johnston)**

Following the May 14 Planning Advisory Meeting (PAC), the RPWG held a call on May 21. We discussed four topics:

1. The Generation Shift Future for MTEP15

The Generation Shift Future was supposed to be designed to achieve 40% of generation from coal. MISO says that the current EGEAS modeling will only achieve 45% under the current future assumptions. MISO is looking for feedback on how to tweak the modeling to achieve 40%. MISO suggested three options: 1) increase the carbon tax; 2) force additional coal retirements; and 3) change the must-run capability or capacity of coal. The Work Group favors the 3rd option but has some additional clarifying questions of MISO. Julie Urban prepared draft comments and sent out to the Work Group.

2. BPM Language for Top Down Planning

David Johnston planned to prepare draft comments and send out to the group next week. If we do not make the feedback deadline of May 28, there will be opportunity in the future since the language on the weighting of futures is forthcoming.

3. Lessons learned feedback for the MISO-PJM IPSAC

MISO is requesting feedback by June 3. The WG suggested further education on the subject, and Colleen sent out an email to the Seams and RP WGs on behalf of Chris Devon discussing this topic.

4. TDQS process.

MISO is requesting feedback on documentation requirements for a hypothetical Transmission Proposal. Randy Rismiller suggested that the WG review the FERC Order issued May 15 which provides detail on this process.

Item #1 Update:

The RPWG submitted the following comments to MISO on May 30 regarding the Generation Shift (GW) Future:

1. The RPWG favors the option of adjusting the “must run” capability of coal plants in order to achieve the 40% target of coal generation. However, we would like a detailed description of the adjustments made in the modeling process.
2. In addition, we would like an explanation of how the 40% target for coal generation was determined.

3. We would like to see an EGEAS results based on a 40, 45 and 50 percent coal generation target, leaving all other variables the same as the original GS Future (no adjustments in “must run” assumptions).
4. Explain the decision making process for the retirement of coal plants in the original GS Future. We understand that the older and smaller plants were retired. What were the cut off values for age and size? Were any other factors taken into consideration? Is there a way to expand this process to achieve the 40% generation target? If so, explain how this could be done.

Item #1 2nd Update: The RPWG sent more comments to MISO on June 11:

**OMS Regional Planning Work Group (RPWG)
Feedback on the Generation Shift (GS) Future
Round 2
June 11, 2014**

The OMS RPWG does not have sufficient information to choose between the sensitivity options listed on the feedback request for the Generation Shift Future. The following are questions that need to be answered and explanations that need to be provided before informed feedback can be offered.

1. The OMS RPWG would like an explanation of how the 40% target for coal generation was determined.
2. The OMS RPWG would like to see EGEAS results based on the original GS Future assumptions. What is the percentage of generation from coal in 2033?
3. Explain the decision making process for the retirement of coal plants in the original GS Future. In the EGEAS Expansion Summary presentation at the May PAC, age related retirements were said to be 11 GW. How was this determined? How was the additional 19 GW determined? We understand that the older and smaller plants were retired. What were the cut off values for age and size? Were any other factors taken into consideration?
4. What is the basis for the 12.6 GW of coal retirements applied to all but the Public Policy Future?
5. For the EGEAS modeling for MTEP15, is the “Must run” requirement applied to all coal plants? If not, explain how it is applied.
6. Are coal plants only retired when they reach a particular age? What age? Is the retirement age the same for all coal plants?
7. Is the CO2 tax applied to both coal and gas?

Item #2 Update:

MISO extended the deadline for comments from May 28 to June 11. We have checked the new MISO language against the comments that the RPWG submitted in April, and it appears that MISO addressed all of our comments by either deleting the language or making the change that we suggested (attached). However, there is a substantial amount of new language posted by MISO so we are asking for RPWG members to take a look at it (as time permits, of course) and send any comments to Julie and Dave by COB on Friday, June 6. Depending on the response, we'll either have a call or email discussion in order to send comments to MISO by June 11.

We did not receive any comments and so will not be submitting anything to MISO during this feedback round.

The new MISO language is available here in clean and redlines versions: <https://www.misoenergy.org/Events/Pages/PAC20140514.aspx>

TDQS Bidder Selection Process Design Workshop #2, June 5, 2014:

TDQS= Transmission Developer Qualification and Selection

This summary is thanks to Bonnie Janssen of the Michigan PSC Staff:

Timeline:

- MISO set up the workshop schedule for the next couple of months and would like them to be interactive and will take comments from stakeholders during and after the meetings.
- The June 26th workshop will discuss implementation and planning.
- The July 15th workshop will discuss O&M.
- The August 14th workshop will discuss financing and revenue requirements.
- The September 18th workshop will focus on working on the draft Business Practice Manual (BPM) (day after PAC)
- The October 16th meeting continues work on the draft BPM (day after PAC)
- The November 13th meeting continues work on the draft BPM (day after PAC)
- The plan is for the BPM to go to the Dec PAC meeting for review with Attachment D also needing to go out in December.
- The timeline is tight and will need extra meetings in October/November with the PAC.

Highlights of the June 5 Workshop:

1. MISO is still working on how the projects will be bid in the individual states. An important issue is incumbent versus non-incumbent building the project and where it begins and ends. Do the bids include all of the lines and substations, or separate out? All questions must go to MISO on the bids, not the incumbent.
2. Feedback is necessary, lots of feedback from the first meeting as posted on the website and will continue to review the feedback from all of these meetings.
3. Major discussion on the three detailed spreadsheets--the project cost template, the Transmission Proposal Request (TPR), and the New Transmission Proposal (NTP). Most of the TO's all thought that the spreadsheets required too much information. Bids are not submitted in that fine of detail. So MISO is asking:
 - What should be included in the Project Cost Template?
 - What should go into a Transmission Proposal Request (TPR)?
 - What should go into a New Transmission Proposal (NTP)? Go through the spreadsheet and make changes/deletions/ merges.

Currently MISO has detailed a lot and is requesting maybe too much information but it wants to compare apples with apples on these MEP and MVP bids via the cost estimates. MISO does acknowledge that the planning estimates in MTEP are insufficient and would like to develop a process through the PAC so they have better estimates for the MEPs and MVPs. MISO stated that maybe they would provide in the MTEP all of MISO's costs, workpapers, "homework" and then the TPR would be a good planning level estimate while the NTP could then be a good developer estimate.

The Transmission Developers all want to know what MISO will be considering in the bidding process and they referred them to their tariff--Read Attachment FF for the next workshop.

4. MISO made a waiver filing in ER14-1912 for the Qualified Transmission Developer (QTD) applicants and for the incumbent TO's to meet the requirements of the Second Compliance Order dated May 16, 2014 that was issued after the QTD application process was open and is currently under MISO review (30 applicants to date). The requested waiver and time requested is quite limited and specific to the provisions of MISO's Tariff regarding implementing the FERC mandated changes to a 2014 pre-qualification process.

TDQS Feedback and Comments: MISO has requested comments on these issues by July 18, and Bonnie Janssen is working on the first draft for the RPWG.

Market Efficiency Project Study for MISO South Sub-Region (MEPS-South), May 22:

Below are two highlights from the CES report on this meeting. The full highlights and report was circulated by email on 5-29-2014 around 3:37 p.m. eastern.

Highlights

- In response to stakeholder feedback, MISO is eliminating the North-South Transfer future and will instead perform a North-South transfer transmission study in MTEP15. Additionally, in response to stakeholder survey results, MISO will assign weightings of 70% to the Business As Usual (BAU) future and 30% to the Robust Economy (RE) future.
- In a separate effort, MISO is performing a Voltage and Local Reliability (VLR) planning study to mitigate reliability issues around load pockets in MISO South and minimize the need for high cost commitments. Identified solutions will focus on reliability needs. Many of the MEPS South solution ideas also address the congestion around these load pockets, so they will be combined with the results of the reliability study to determine best fit solutions.
 - MISO proposes to treat these solutions as Out of Cycle (OOC) projects with expedited review and hopes they will be ready to recommend to the Board of Directors (BOD) for approval sometime between MTEP14 (December, 2014) and MTEP15 (December, 2015).
 - *OOC projects have traditionally been needed to meet new load or maintain reliability. Economic projects are not typically reviewed and approved through the OOC process, but the tariff does not seem to preclude it. MISO may get some push-back on this plan. Additionally, storage projects could be viable alternatives to mitigate these VLR issues; however, the expedited study process could make it difficult for storage projects to compete with transmission solutions (despite Order 890 requirements for various types of solutions to be considered).*

Market Efficiency Planning Study—North/Central Region, May 29:

This study analyzes potential transmission projects to solve congestion occurring in the MISO North and Central regions. The study is nearing the end of its timeline, with the important items of Economic Analysis and Reliability Analysis yet to be completed. MISO has performed preliminary economic analysis on formulated project candidates and presented the results in this meeting. There are 21 solution ideas that have B/C ratios above 1.25, so it appears promising that there could be Market Efficiency Projects recommended for approval in MTEP14. Project recommendations will be done on July 14.

MISO-PJM Interregional Stakeholder Advisory Committee (IPSAC), May 16; and MISO-PJM Joint and Common Market (JCM), May 28:

MISO and PJM will continue to study the three projects in the IPSAC that showed positive B/C ratios under one of the three modeled futures. However, it is unlikely that any of these projects will move further, and so this iteration of the MISO-PJM IPSAC will end. A new IPSAC will begin in the fall of 2014. In the meantime, MISO and PJM have finally heard the complaints about how difficult it is to have any (there has never been one) cross border Market Efficiency Project. Specifically, Northern Indiana Public Service Company (NIPSCO), the utility that is between PJM-ComEd in Chicago and AEP and the rest of PJM to the east, has been very vocal about the needed reforms, and made a presentation at the March JCM. MISO and PJM responded at the May 28 JCM as follows:

Lessons Learned—Scope and Schedule:

Better alignment between regional and interregional processes

• Define the scope of work clearly

- Start with annual need assessment in the third quarter of a given year
- Define the scope and schedule of the joint study based on the issues identified if a joint study is determined

Lessons Learned—Joint Model Development

Need better clarity and up front definition of joint futures and their roles in CSP model creation

- Need better alignment between regional and interregional study assumptions
- Joint model development requires significant coordination, effort and time
- Need greater lead-time to vet models to ensure sufficient stakeholder review

Lessons Learned—JOA Metric

Threshold

- \$ 20 million threshold may hinder development of quick-hit solutions and drive larger, less targeted, and less economic projects
- Is it appropriate to require all three B/C criteria be met (each region plus joint?)

• Metric Calculation

- Should APC adjustments for purchases and sales be valued at market LMP's or production cost?
- Current project benefit calculation does not account for projects that increase congestion
- Is current 100% congestion hedge appropriate?
- Is 70% APC, 30% NLP split still appropriate?

- **NPV Calculation**

- The JOA protocols do not provide sufficient clarity on how many years to use for the NPV calculation
- Change number of years, number of simulations, use earlier years?
- Extrapolation of the curve is largely dependent on assumptions

The RTOs asked for feedback by June 3. The work groups have not had time to discuss these topics, but plan to do so and will submit comments when appropriate. Thanks to Chris Devon of Michigan for bringing this up to the RPWG and suggesting a joint RPWG call with his Seams work group.

MISO-SPP Interregional Planning Stakeholder Advisory Committee (IPSAC), May 12

Below are the highlights from the CES report that was emailed on May 29 at 11:24 a.m. eastern time. The full report is contained in that email.

Highlights

- This meeting was scheduled in response to stakeholder requests to have one more opportunity to review the updated draft Coordinated System Plan (CSP) study scope before the Joint Planning Committee (JPC) (staff only) finalization.
- MISO and SPP staff reviewed stakeholder feedback regarding the CSP draft study scope presented at the April 8 IPSAC meeting. They also explained their responses and how feedback had been incorporated in the updated CSP study scope (posted with today's meeting materials) and collected additional comments.
- The CSP study scope will be finalized at the next Joint Planning Committee (JPC) meeting (staff only) later this month.
- The RTOs are building the economic models and expect them to be ready for stakeholder review in June.
- The next IPSAC meeting will be hosted by SPP in the August timeframe, and details will be announced in the near future.

OMS Seams Work Group

June 2014 Report to OMS Board of Directors

Co-Chairs: Adam Mckinnie and Chris Devon

MISO PJM Seams Update

JCM Initiative Update

- **MISO and PJM held a normal JCM meeting on May 28th at the PJM Training Center.**
- **Update on capacity deliverability issue:**
 - ♦ MISO and PJM released their own detailed Fact Finding reports on capacity deliverability that describe the study and analysis that each RTO completed and outlining a number of issues yet to be resolved to fully answer the questions raised by OMS and OPSI in their June 20, 2013 presentation to FERC. During prior JCM meetings, the OMS Seams WG Co-Chair indicated that the Fact Finding reports were not completed or responsive to the further issues raised by OMS and OPSI in the Co-Chair's personal opinion.
 - ♦ MISO and PJM indicated that they are working through resolving the further issues in the FF reports and are targeting the next JCM meeting, in mid-July, to present further details on the issues raised by OMS and OPSI.
 - ♦ MISO and PJM are also still accepting feedback and comments on the draft report and requested further input at the May 28th JCM.
 - ♦ Please note that the RTOs have stuck to their position that they will not file these reports in the FERC Administrative Docket for capacity deliverability and the overall JCM process (AD14-3) even though some state regulatory staff have expressed they need to file in the AD docket and other Stakeholders have also provided comments in support of the RTOs filing these reports with FERC.
- **Coordinated Transaction Scheduling - Interchange Optimization**
 - ♦ RTOs plan to work on this issue through 2014 within the JCM and then move to individual stakeholder forums later in 2014 and have targeted a FERC filing in January 2015.
 - ♦ The RTOs will held a Joint Stakeholder Coordinated Transaction Scheduling Workshop meeting on Interchange Optimization on April 18th - [materials here](#).
- **Cross Border Planning Projects:**
 - ♦ MISO and PJM provided an update on the NIPSCO request to consider greater coordination and enhancements to the MISO PJM Interregional Planning Processes. This issue has gained traction among many stakeholders and interested OMS and OPSI commissions. Be aware

that ongoing discussion of this planning issue is likely to occur within the JCM initiative meetings.

Next MISO PJM JCM meeting is scheduled for July 24th, at MISO in Carmel, IN.

MISO SPP Seams Update

FERC accepts and suspends the unexecuted MISO-SPP Service Agreement subject to refund:

FERC Docket ER14-1174, related to the SPP Complaint in FERC Docket EL14-21.

The effective date for any refunds related to the SPP Complaint (EL14-21) has been set for January 29, 2014. The effective date for any refunds from the MISO Complaint (EL14-30) has been set for February 18, 2014 (see below for the request by MISO TOs to change the effective date).

Settlement proceedings have been ordered in this and the consolidated dockets below. The last settlement conference was in Washington DC on June 3, 2014. The next settlement conference is currently scheduled for August 21, also in Washington DC.

MISO files to limit MISO North to MISO South transfers to the 1,000 mW contract path between SPP and MISO

FERC Docket ER14-1713 is the FERC Docket where MISO has made a tariff filing to limit such flows. MISO first discussed this flow limit in the March 31, 2014 Seams Management Working Group meeting. MISO began limiting the flow on Saturday, April 12, 2014.

SPP and MISO Complaints – FERC Dockets No. EL14-21 and EL14-30

These dockets have been consolidated (order released March 28, 2014), along with the docket involving the unexecuted SPP Service Agreement (ER14-1174) and the remanded court decision on Section 5.2 of the MISO-SPP JOA (EL11-34-002, as discussed below).

Request for “Stay” – Consolidated Docket, including EL14-21 and EL14-30

MISO Transmission owners, on April 28, 2014, filed a “Motion to Stay Effectiveness of Service Agreement Pending Decision on Rehearing”. OMS filed comments at FERC in support of the motion on May 16, 2014. No further action has taken place in this docket.

The US Court of Appeals for the DC Circuit vacated FERC's orders interpreting the MISO-SPP Joint Operating Agreement on December 3, 2013: [USCA Case #12-1158 Document #1468583](#).

- Apparently FERC is not obligated to issue a new order or take any further action as a result of the court’s decision for remand. At this time, it is unknown what action, if any, FERC will take on this matter.
- Additional filings have been made in various dockets by MISO and SPP (EL14-30, ER14-1175, EL14-21), and FERC has consolidated those dockets.

MOPSC opened a Docket on SPP-MISO issues: [Docket No. EW-2014-0156](#).

- 11-26-2013 the Missouri Public Service Commission (MOPSC) issued an order opening workshop on “eliminating or mitigating the negative effects of the MISO/SPP seams.”
 - ♦ Comments are requested within the docket by July 1, 2014 (updated as of March 18, 2014).

SPP Seams Steering Committee Issues

Items of importance:

(1) SPP-MISO joint planning

There was a MISO-SPP stakeholder / IPSAC call, May 12th, to discuss stakeholder comments on the proposed Scope of the Coordinated System Plan. The call include MISO and SPP staff supporting a sensitivity of keeping the MISO North-MISO South flows constrained at 1000 mW, plus issues related to interregional reliability.

(2) SPP-AECI joint planning

Had a May 1, 2014, IPSAC call. They’re discussing the inclusion of a low hydro sensitivity. The expectation is to ask for transmission solutions to identified issues in August, and concluding the study by December 2014.

(3) Seams Project definition – the final in person meeting is scheduled for Wednesday afternoon, June 18, in Dallas.

The task force concluded that it would work on a whitepaper with principles similar to the Order 1000 projects whitepaper.

(4) Other issues of notes:

- a. SPP is working on a FERC filing in response to a FERC deficiency letter regarding the market flow filing. MISO and PJM are also working on deficiency letter responses
- b. SPP and MISO filed on how compensated would work in issues where one RTO requested emergency assistance from the other, and that caused MISO to go over the 1000 mW contract path limit. Docket ER14-2062, filed May 29, 2014, comments due 6-19-2014.

Upcoming SPP Seams meetings:

- a) June 18, 2014 SPP Seams Project Task Force
- b) June 19, 2014 SPP Seams Steering Committee SSC Meeting ([Register](#))
- c) June 27, 2014 SPP-MISO JOA Joint Stakeholder Meeting ([Register](#))
- d) July 8, 2014 SSC Conference Call ([Register](#))

SPP MISO Interregional Planning Stakeholder Advisory Committee (IPSAC) Call, May 12, 2014

- Discussed the comments provided on the Scope of the Coordinated System Plan study prepared by multiple parties, including the OMS Regional Planning Work Group. MISO and SPP staff have agreed to include a 1,000 mW limit between MISO North and MISO South as a sensitivity within the current study. The scope is to study reliability and economic issues in a single “Business as Usual” future.
- Next MISO-SPP IPSAC is tentatively scheduled for August 2014.

SPP Board approved tariff filing related to WAPA and other parties joining SPP

- <http://www.spp.org/publications/SPP%20BOD%20approves%20tariff%20language%20for%20IS%20membership.pdf>
- The SPP Board voted in a special Board meeting on June 10, 2014, to approve tariff language related to WAPA and other Integrated System utilities to become members of SPP.

Next MISO-SPP JOA meeting has been scheduled for Friday, June 27th in Egan, Minnesota

OMS Administrative Ad Hoc Work Group Status Report
June 12, 2014 OMS Board meeting

The Administrative Ad Hoc Work Group (AAHWG) met on May 19th and June 10th.

Summary of May 19th meeting:

The AAHWG adopted the revised guiding principles for document development. The focus in developing these principles has been on achieving greater process efficiency while preserving the high quality of OMS submissions. The Guiding Principles adopted by the WG are as follows:

- 1) That the organization should preserve the ability to produce quality documents and the processes would not prevent incorporation of useful amendments.
- 2) That amendments and documents should be distributed as soon as reasonably possible, with the goal of receiving all meeting materials and documents for review being at least 24 hours before the meeting time.
- 3) That draft materials should be kept internal and not made public until adopted/finalized.
- 4) That issues are vetted through the Workgroup process and not directly brought to the Board unless the Executive Director or the Board President has approved because of paucity of time.
- 5) That majority and minority viewpoints are identified and initially presented by the workgroup co-chairs at the Board meetings.

There was continued discussion of OMS work group work-flow activity. The AAHWG has developed flow-charts to assist in this discussion. The discussion focused on methods for setting priorities, establishing due dates for work group drafts as well as amendments for Board action, and the possible utilization of a central repository for document development. Regarding the repository idea, it was agreed that technical assistance in evaluating technology options was required.

The AAHWG also determined that the OMS document entitled *Process for Approving Position Statements for FERC and MISO* should be edited to reflect process changes being discussed and the edited draft should be considered at the next AAHWG meeting.

There was also discussion of adoption of a standardized format for document preparation. It was agreed that any move to a standardized format should be done in light of the existing OMS style manual. It was agreed that this topic should be considered at the next meeting.

There was also discussion about the process of reporting work group activities to OMS Board members at the monthly Board meeting. There was no consensus as to approach, so it was agreed that the Group consider continue to discuss this at the next meeting.

Summary of June 10th meeting:

The discussion of a possible central repository continued. Arrangements have been made for a telephone conference with technology experts at MISO about the technology they use for document management. AAHWG members are planning to participate in that call. The AAHWG will discuss the "take aways" from that telephone conference at its next meeting.

The Group considered an edited version of the OMS guidance document, *Process for Approving Position Statements for ERC and MISO*. After some discussion, the document was adopted by the AAHWG for further consideration by the Board.

Discussion of a standardized format for draft comments continued. A slightly edited version of the OMS Style Manual was presented for discussion. It was agreed that a draft template incorporating the contemplated format revisions would be helpful for future discussion. A template will be prepared for the next AAHWG meeting.

Discussion continued on the process for reporting OMS work group activities to the OMS Board. This discussion focused on the use of the Work Group Chair monthly list of work group activities as the primary means of informing the OMS Board of work group activities. There was discussion about how that Report might be reformatted for Board meetings. Ultimately, it was agreed that the WG should ask the Work Group Chairs to discuss, at its next monthly meeting, how the Work Group Chair monthly list might be reformatted for use as a summary document for OMS Board meeting. AAHWG will revisit this issue once it has received feedback from the Work Group Chair meeting.