



**ORGANIZATION OF MISO STATES, INC.
Board of Directors Meeting
Conference Call Minutes
April 17, 2014**

Approved May 15, 2014

Eric Callisto, President of the Organization of MISO States, Inc. (OMS), called the April 17, 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
Venkata Bujimalla, proxy for Libby Jacobs, Iowa
Linda Breathitt, Kentucky
Noel Darce, proxy for Eric Skrmetta, Louisiana
Sally Talberg, Michigan
David Boyd, Minnesota
David Carr, proxy for Brandon Presley, Mississippi
Robert Kenney, Missouri
Kirk Bushman, Montana
Phil Movish, proxy for Cynthia Hedge-Morrell, City of New Orleans
Jerry Lein, proxy for Brian Kalk, North Dakota
Greg Rislov, proxy for Gary Hanson, South Dakota
Ken Anderson, Texas
Eric Callisto, Wisconsin

Absent
Manitoba

Agency members participating

Bert Finzer, Keith Berry – Arkansas
David Johnston – Indiana
Chris Devon, Al Freeman, Bonnie Janssen – Michigan
Betsy Wergin – Minnesota
Bill Booth – Mississippi
Kim Moran – Montana
Andrea Stromberg – North Dakota
Richard Greffe – Texas
Julie Urban – Wisconsin

Others on the call

Colleen Dougherty, Julie, Mitchell, Bill Smith – 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 the March 27 Open Board Meeting, March 27 Closed Board Meeting and 2013 Annual Meeting

Eric Callisto requested some grammatical changes to the minutes of the March 27 Open meeting and that the Annual Meeting minutes be corrected to reflect that he was the Vice-President of OMS, not the President. The minutes of these meetings were otherwise accepted.

Treasurer's Report

The March treasurer's report was accepted as distributed.

Review of the April 3, 2014 Executive Committee Meeting:

Eric Callisto provided this review and highlighted the following:

- April Hot Topic;
- April 17th Board Meeting agenda;
- EGEAS Modeling;
- Polar Vortex Hearing.

Executive Director's Report

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

- Recommendation to cancel the Board Meeting following the MARC Meeting;
- Recommendation to hold a work group chairs meeting during the MISO Stakeholder's meeting, but not a Board Meeting;
- OMS Annual meeting on Tuesday, October 21 and a planning meeting on Thursday, October 23;
- FERC Settlement Conference;
- Board Materials Send Out process;
- MISO Board Week and meeting with Transmission Owners.

BUSINESS

1. Update: Eastern Interconnection Planning Process

- A written update was provided by Raj Barua.

2. MISO Advisory Committee

- Sally Talberg provided an overview on the AC agenda;
- The ballot for the nominating committee was discussed. It was agreed to vote for Libby Jacobs, Jim Keller and JoAnn Thompson;
- The Hot Topic for April is the OMS "business model" and Sally Talberg reviewed what would be in that presentation.

3. MISO Planning Advisory Committee

- Sally Talberg gave an update on the PAC meeting that took place April 16th;
- Julie Urban provided an update on the MTEP weighting methodology issue. There was additional discussion with the Board and staff about MISO's methodology.

4. FERC Briefing on Winter Lessons Learned, April 1

- Eric Callisto attended this briefing on behalf of OMS and gave a recap.

5. Action Item: MISO Formula Rates, FERC Docket EL12-35, OMS rehearing request

- Randy Rismiller gave a quick overview of the brief being considered and there was discussion with the Board and staff.
- Mississippi requested a footnote in Section 3A

David Boyd moved to support the filing of a request for reconsideration in FERC Docket EL12-35. Eric Callisto seconded. A roll call vote was taken:

Arkansas: yes
Illinois: yes
Indiana: no
Iowa: yes
Kentucky: yes
Louisiana: abstain
Manitoba: absent
Michigan: abstain
Minnesota: yes
Mississippi: yes
Missouri: yes
Montana: abstain
New Orleans: abstain
North Dakota: yes
South Dakota: yes
Texas: yes
Wisconsin: yes

The motion passed with 11 yes votes, 1 no vote, 4 abstentions and 1 absent.

6. Pending FERC Dockets

- Bill Smith provided a written list of pending FERC dockets. Eric Callisto asked him to continue to update and distribute this list.

7. Status of DED Selection

- Eric Callisto announced that a candidate has accepted the offer and is working on an exit strategy from their current position. The individual will start no later than early June.

8. Comments to MISO on Market Vision

- This item was cancelled.

9. Action Item: MISO Resource Adequacy Principles

- Eric Callisto provided background information on the drafting process of the OMS comments and led the discussion on the document.
- Mississippi indicated they would provide a footnote.

David Boyd moved adopted of the document as amended. Jerry Lein seconded. A roll call vote was taken.

Arkansas: yes
Illinois: yes
Indiana: yes
Iowa: yes
Kentucky: yes
Louisiana: yes
Manitoba: absent
Michigan: yes
Minnesota: yes
Mississippi: yes
Missouri: yes
Montana: absent
New Orleans: yes
North Dakota: yes
South Dakota: yes
Texas: yes
Wisconsin: yes

The motion passed with 15 yes votes, 0 no votes, & 2 absent.

Updates and Work Group Status Reports

Demand Response WG

- No report;

Transmission Cost Allocation WG

- No report;

Markets and Tariffs WG

- Written report;

Resources WG

- No report;

Regional Planning WG

- Dave Johnston has agreed to serve as co-chair with Julie Urban. Written report;

Governance and Budget

- No report;

Seams WG

- Written report;

ADJOURNMENT

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

OMS

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

CASH ON HAND

The beginning balance for the Wells Fargo Business Performance Savings Account on March 1 was \$25,331.06. Interest earned for this month totaled \$0.64 and there was no other activity. The March 31, 2014, ending balance was \$25,331.70.

The beginning book balance for the Chase Bank One Checking account on March 1 was \$182,526.72. The total disbursements from the checking account for March 2014 amounted to \$85,216.91. Deposits, interest and adjustments were \$60,001.76, which includes one month of MISO funding transactions. As of March 31, 2014, the checking account bank balance was \$189,106.19 (with 20 check payments outstanding) and the book balance was \$157,311.57.

The total savings and checking account (book) balances as of March 31, 2014, is \$182,643.27.



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

Wells Fargo Business Performance Savings Account

Book Balance as of 2/28/14		\$	25,331.06
3/31/2014 DEP Interest on Savings		\$	0.64
			\$ 25,331.70
Business Performance Savings Account Balance at 3/31/2014			\$ 25,331.70

Chase Bank One Commercial Checking with Interest

Book Balance as of 2/28/14		\$	182,526.72
3/10/14 ACH Midcontinent ISO		\$	60,000.00
3/31/14 DEP Interest on checking		\$	1.76
Total Deposits			\$ 60,001.76

Checks and Charges

Date	Check #	Descriptions	
3/3/14	4637	Province of Manitoba	\$ 1,153.13
3/3/14	4635	Minnesota PUC	\$ 676.97
3/3/14	4634	Kurt Simonsen MB	\$ 111.00
3/3/14	4633	Bill Smith	\$ 41.70
3/5/14	4643	Minnesota PUC	\$ 1,521.89
3/5/14	4642	Julie Mitchell Travel	\$ 1,000.69
3/5/14	4640	Brian Ballinger MI	\$ 914.85
3/5/14	4644	William Bokram MI	\$ 731.29
3/5/14	4645	Wisconsin PSC	\$ 225.06
3/5/14	4639	Triplett Office Essentials	\$ 67.11
3/5/14	4638	Premier Copiers	\$ 49.41
3/5/14	4641	Colleen Dougherty	\$ 12.22
3/10/14	w/d	VISA Chase Bank	\$ 9,442.35
3/10/14	4646	100 Court Investors	\$ 1,829.69
3/10/14	4653	Linda Breathitt KY	\$ 1,187.62
3/10/14	4652	Iowa OCA	\$ 871.60
3/10/14	4649	Combined Systems	\$ 717.80
3/10/14	4648	Brian Rounds SD	\$ 660.11
3/10/14	4655	Windsor Court Hotel	\$ 585.62
3/10/14	4654	DED Candidate A	\$ 68.75
3/10/14	4650	Crystal Clear Water	\$ 24.47
3/10/14	4647	Bill Smith	\$ 22.00
3/10/14	4651	Diversified Management	\$ 19.50
3/18/14	4659	State of Iowa	\$ 1,004.15
3/18/14	4660	State of Iowa	\$ 762.19
3/18/14	4656	Bill Smith	\$ 693.42
3/18/14	4661	Walt Cecil MO	\$ 277.12
3/25/14	4663	Combined Systems	\$ 4,258.86
3/25/14	4672	Customized Energy Solutions	\$ 3,500.00
3/25/14	4667	State of SD	\$ 1,250.00
3/25/14	4668	David Johnson IN	\$ 894.04
3/25/14	4665	Qwest Century Link	\$ 228.81
3/25/14	4666	Triplett Office Essentials	\$ 184.06
3/27/14	10001	WF Payroll Services	\$ 13,760.16
3/27/14	w/d	WF Payroll Taxes	\$ 6,551.79
3/27/14	w/d	WF Payroll Services	\$ 54.80
3/18/14	4657	Al Freeman MI	\$ 749.70
3/18/14	4662	Jerry Lein ND	\$ 466.10
3/25/14	4670	Minnesota PUC	\$ 800.06
3/25/14	4671	Minnesota PUC	\$ 799.62
3/25/14	4664	Conference Suite	\$ 621.94
3/25/14	4669	DED Candidate B	\$ 78.48
3/31/14	4674	Cruthirds Report	\$ 17,000.00
3/31/14	10002	Expert Plan - MG Trust	\$ 3,651.79
3/31/14	4678	Triplett Office Essentials	\$ 1,246.30
3/31/14	4680	Indiana UCC	\$ 976.92
3/31/14	4681	Indiana UCC	\$ 976.22
3/31/14	4684	Wisconsin PSC	\$ 728.60
3/31/14	4679	Chris Devon MI	\$ 592.17
3/31/14	4683	Wisconsin PSC	\$ 533.88
3/31/14	4676	Lucky Star Transport	\$ 504.00
3/31/14	4673	Bill Smith	\$ 67.99
3/31/14	4677	Premier Copiers	\$ 49.41
3/31/14	4675	Diversified Management	\$ 19.50

Total Disbursements - Checks and Charges		\$	85,216.91
CHECKING ACCOUNT BALANCE at 3/31/14			\$ 157,311.57

TOTAL Certificates of Deposit, Savings and Checking Account Balances as of: 3/31/14
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\$ 182,643.27

CHASE CHECKING ACCOUNT RECONCILIATION

Bank Balance 3/21/14		<u>\$ 189,106.19</u>
Less Checks Outstanding		
4600	Michigan PSC	\$ 1,250.00
4631	State of Michigan	\$ 681.94
4657	Al Freeman MI	\$ 749.70
4662	Jerry Lein ND	\$ 466.10
4670	Minnesota PUC	\$ 800.06
4671	Minnesota PUC	\$ 799.62
4664	Conference Suite	\$ 621.94
4669	DED Candidate B	\$ 78.48
4674	Cruthirds Report	\$ 17,000.00
10002	Expert Plan - MG Trust	\$ 3,651.79
4678	Triplett Office Essentials	\$ 1,246.30
4680	Indiana UCC	\$ 976.92
4681	Indiana UCC	\$ 976.22
4684	Wisconsin PSC	\$ 728.60
4679	Chris Devon MI	\$ 592.17
4683	Wisconsin PSC	\$ 533.88
4676	Lucky Star Transport	\$ 504.00
4673	Bill Smith	\$ 67.99
4677	Premier Copiers	\$ 49.41
4675	Diversified Management	\$ 19.50
Total Outstanding Checks		<u>\$ 31,794.62</u>
Book Balance 3/31/14		<u>\$ 157,311.57</u>



OMS Treasurer Report for Month of March 2014

Wells Fargo Business Performance Savings Account

Beginning Balance	25,331.06	
Interest Earned this Month	0.64	
Ending Balance		<u><u>25,331.70</u></u>

Chase Bank One Checking Account

Beginning Balance	182,526.72	
Total Disbursements	(85,216.91)	
Deposits/Interest/Adjustments	<u>60,001.76</u>	
Ending Book Balance		<u><u>157,311.57</u></u>
Bank Balance	189,106.19	
Outstanding Deposits	0.00	
Outstanding Checks	<u>(31,794.62)</u>	
Book Balance	<u><u>157,311.57</u></u>	

Total Savings & Checking Balances as of March 31, 2014

182,643.27

20 checks outstanding at 3/31/14



Organization of MISO States

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OMS Executive Director Report April 16, 2014

FERC Issues

1. President Callisto participated in a FERC Conference on April 1 to discuss lessons learned during the winter weather of January 2014.
2. MISO, on April 11, filed a rehearing on FERC's March 31 order relating to unscheduled power flows over the SPP system. In that order, FERC accepted and suspended SPP's complaint unexecuted service agreement in Docket ER14-1174. FERC also scheduled a settlement conference for April 29 for this docket and the related complaints. 146 FERC ¶ 61,238.
3. On April 8, the FERC accepted MISO's proposed allocation of costs associated with reliability compliance penalty assessments. Docket ER14-1290.

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.

Upcoming dates:

- Next regular OMS Board of Directors meeting: April 17, 2014, at 1:00 pm CT
- Next OMS Executive Committee meeting: May 1, 2014, at 1:00 pm CT
- Future OMS Board meetings: May 15, June 12
- Future OMS Executive Committee meetings: May 29, June 26
- Next OMS meeting with IMM: May 8

<p>Members</p> <p>15 state, one provincial, and one city utility regulatory commissions</p> <p>11 associate members representing consumer advocates/state agencies</p>	<p>Key Activities</p> <p>Coordinate state regulatory oversight of RTO activities among the states</p> <p>Make recommendations to MISO, MISO Board, FERC, other relevant government entities, and state commissions</p> <p>Intervene in proceedings before FERC and in related judicial proceedings to express the states' collective positions</p>	<p>Value Proposition</p> <p>Provide unified voice for state regulators on regional energy market and planning issues at MISO and FERC</p> <p>Represent the public interest in discussions vis a vis role of members as state regulators</p> <p>Disseminate complex regional and inter-regional issues for state members</p> <p>Educate MISO and stakeholders about role of states and how regional decisions may impact state processes, jurisdiction or end use customers</p> <p>Improved retail regulation through better understanding of wholesale markets</p>	<p>Relationship</p> <p>Advisory in nature with weight due to regulatory oversight role of its members and their coordination</p> <p>State/local regulation of entities that may also be regulated by FERC</p> <p>OMS members' unique role as state regulators and their statutory responsibilities affect relationships and participation in RTO activities</p>	<p>Customer Segments</p> <p><i>Public sector:</i></p> <p>State Commissions FERC DOE Courts Other government agencies</p> <p><i>Private sector:</i></p> <p>MISO MISO Board of Directors MISO stakeholders</p>
	<p>Key Resources</p> <p>Commission staff – technical issues Workgroups Commissioner policy input</p>		<p>Channels</p> <p>MISO meetings Conference calls Communications Federal proceedings</p>	

<p>Cost Structure</p> <p>Personnel Compensation and Benefits Office Expenses (non-personnel) MISO Meeting Expenses – Travel reimbursement is the key to effective participation OMS Meeting and Training Expenses - conference calls</p>

<p>Revenue Stream</p> <p>MISO Grant</p>
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OMS Membership

Members

- Arkansas PSC
- Illinois CC
- Indiana URC
- Iowa Utilities Board
- Kentucky PSC
- Louisiana PSC
- Manitoba PUB
- Michigan PSC
- Minnesota PSC
- Mississippi PSC
- Missouri PSC
- Montana PSC
- New Orleans City Council URO
- North Dakota PSC
- South Dakota PUC
- PUC of Texas
- PSC of Wisconsin

Associate Members

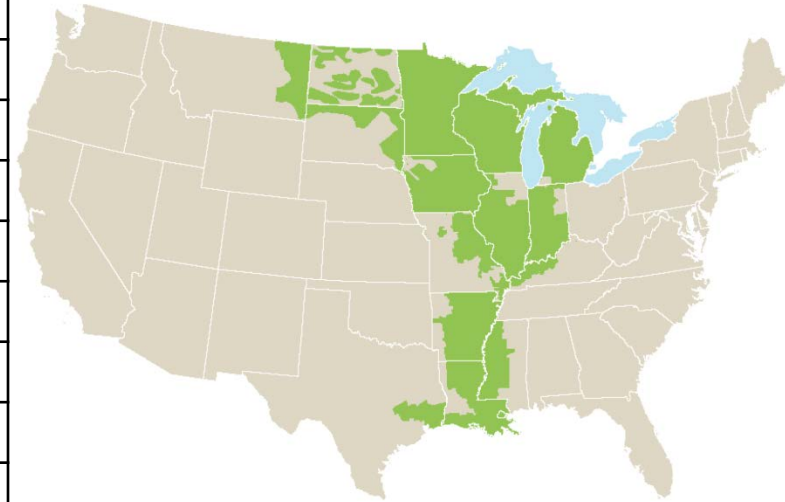
- Iowa Office of Consumer Advocate
- Minnesota Department of Commerce
- Missouri Office of the Public Counsel
- Office of the Ohio Consumers' Counsel
- Indiana Office of Utility Consumer Counselor
- Illinois Citizens Utility Board
- Nebraska Power Review Board
- Pennsylvania Public Utility Commission
- Public Utilities Commission of Ohio
- Mississippi Public Utilities Staff
- Texas Office of Public Utility Counsel

Member Diversity

- Selection and composition
 - Appointment vs. election
 - Number, term, party, qualifications
 - Location in the state government and independence from the department in which located
- Staff size and role - bifurcated vs. advisory
- Ex-parte communication processes and open meeting requirements
- Size of load in MISO footprint
- Number of RTO/ISOs and non-market participants
- Functions – rate regulation, siting, licensing, inspections/safety/security, etc.
- Entities regulated – investor-owned, coops, municipalities, etc.
- Industries regulated
 - Communications
 - Energy (electricity, natural gas, petroleum, pipelines)
 - Water & Wastewater
 - Transportation (motor carrier, ferries)
 - Other (grain elevators, radioactive waste, coal mine reclamation, safe digging, etc.)

MISO Load Share by State

State	Load Ratio Share*
AR	6.2%
IA	6.0%
IL	8.1%
IN	12.0%
KY	1.4%
LA	13.5%
MI	16.1%
MN	10.0%
MO	6.9%
MS	4.1%
MT	0.1%
ND	1.0%
SD	0.5%
TX	3.6%
WI	10.5%



* Load shares calculated with 12CP demand by state as of Dec 2013 in the market footprint

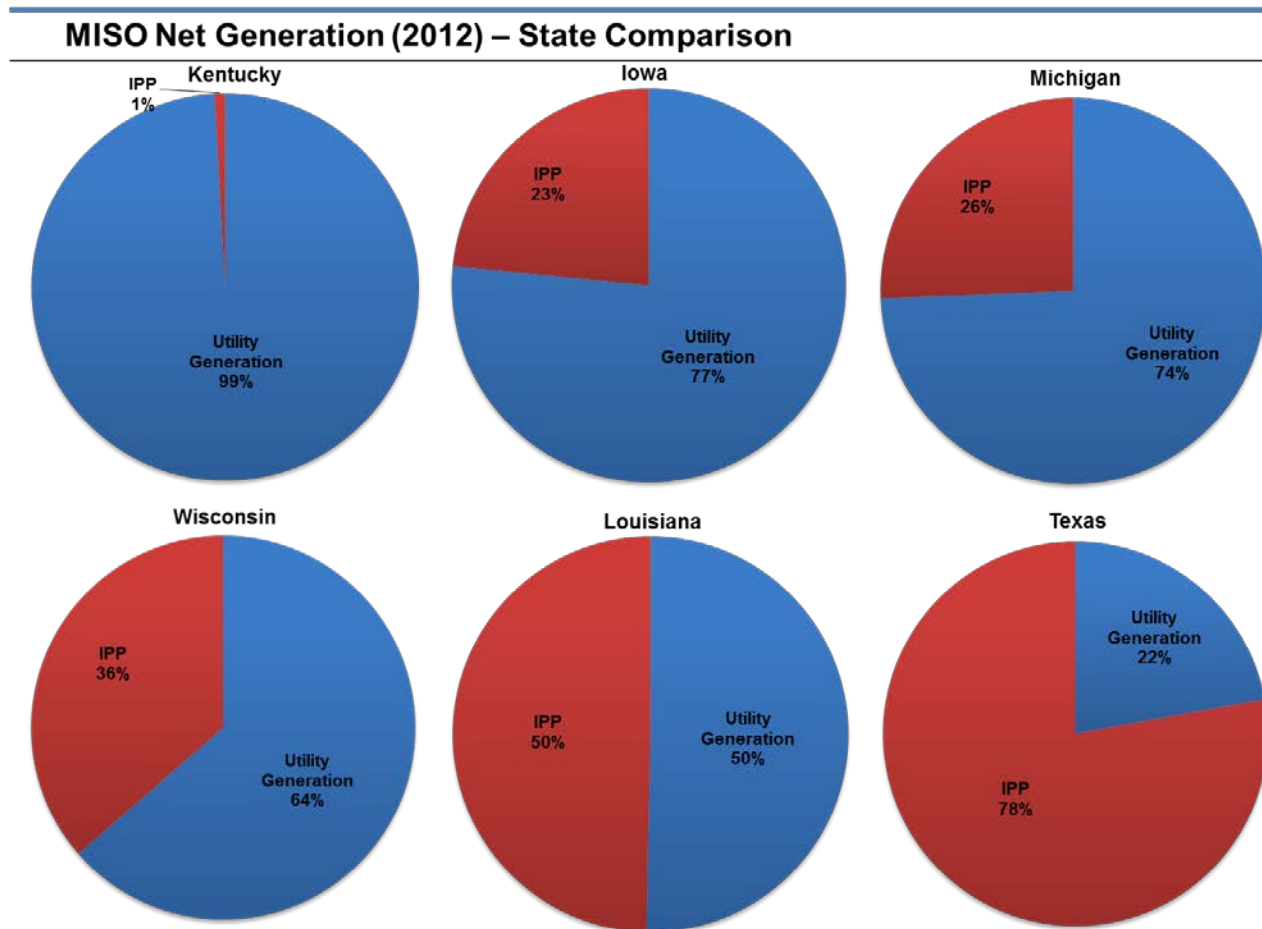
Variation Among OMS Members

Agency	Agency location	Selection	No. of Commssioners	Comm. term	Staff size
Arkansas Public Service Commission	Independent	A	3	6	115
Illinois Commerce Commission	Independent	A	5	5	275
Indiana Utility Regulatory Commission	Independent	A	5	4	76
Iowa Utilities Board	Dept. of Commerce	A	3	6	68
Kentucky Public Service Commission	Energy & Environment Cabinet	A	3	4	110
Louisiana Public Service Commission	Independent	E	5	6	97
Michigan Public Service Commission	Dept. of Labor & Reg. Affairs (LARA)	A	3	6	190
Minnesota Public Utilities Commission	Coop. agreements w/Dept of Commerce	A	5	6	49
Mississippi Public Service Commission	Independent	E	3	4	81 (MPSC); 28(MPUS)
Missouri Public Service Commission	Dept. of Economic Development	A	5	6	194
Montana Public Service Commission	Independent	E	5	4	39
New Orleans City Council URO	City Council	E	7	4	2
North Dakota Public Service Commission	Independent	E	3	6	41
South Dakota Public Utilities Commission	Independent	E	3	6	30
Texas Public Utility Commission	Independent	A	3	6	168*
Wisconsin Public Service Commission	Independent	A	3	6	140
* 11 federally funded temp employees, funding ended on 12/31/12					
A - Appointed, E- Elected					
Source: IPU Database on Commission Structure (Institute of Public Utilities, Michigan State University, November 2013) except for data New Orleans City Utilities Regulatory Office.					

Variation Among OMS Members (cont'd.) – Regulated vs. Deregulated

- **Fully Regulated** (12): Arkansas, Indiana, Iowa, Kentucky, Louisiana, Minnesota, Mississippi, Missouri, Montana, North Dakota, South Dakota, Wisconsin
- **Partial** (2): Michigan & Texas
- **Deregulated** (1): Illinois
- The ERCOT portion of Texas has retail competition, but the Entergy Texas service area does not. Entergy Texas is a vertically integrated utility and its customers do not have choice.
- Michigan has a 10% cap on choice.

Variation Among OMS Members (cont'd.) – Energy Generation Example: IPP vs. Utilities



Source: EIA , Electric Power Annual (IPP includes CHP)

Variation Among OMS Members (cont'd.) – Transmission Siting Example

- ROFR – Not all states have ROFR
- Certification of public utilities –
 - Not all jurisdictions require entities seeking to build transmission to be certified as public utilities
 - Definitions of public utility, electric utility, transmission company, etc. vary
- Criteria for review of transmission projects vary (e.g., need, cost-benefit, recognition of regional benefits, deference to MISO approval)
- Jurisdiction over siting – Some states have county/local level permitting
- Environmental studies – Variation on timing and the state agencies doing

Variation Among OMS Members (cont'd.) – Transmission Siting Example

- Timing of informational meetings, i.e., before or after filing of franchise/permitting applications
- Voltage levels requiring franchise/permitting processes
- Timing for beginning negotiations with landowners
- Processes/regulations for obtaining easements
- Regulations concerning eminent domain/condemnation processes
- Processes and timing of determining compensation for landowners
- Hearings and legal process associated with applications vary, from non-judicial to quasi-judicial

2014 OMS Key Priorities

- Resource Adequacy
- Interregional Coordination
- Southern Integration
- Transmission Planning
- Order 1000 Implementation
- Formula Rates/Return on Equity
- Energy Market Issues
- Administration – leadership transition

Questions?

- What are expectations of MISO board, MISO and stakeholders?
- Other questions?

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

Midcontinent Independent System Operator, Inc.)	Docket No. ER13-2379-000
Midcontinent Independent System Operator, Inc., (Northern Indiana Public Service Company))	Docket No. ER13-2376-000
Midcontinent Independent System Operator, Inc. (Southern Indiana Gas & Electric Company))	Docket No. ER13-2375-000
Midwest Independent Transmission System Operator, Inc., et. al.))	Docket No. EL12-35-000

**REQUEST FOR REHEARING AND CLARIFICATION OF
THE ORGANIZATION OF MISO STATES**

Pursuant to Rule 713 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (“Commission”), 18 C.F.R. §385.713, and Section 313 of the Federal Power Act (“FPA”), 16 U.S.C. § 8251, the Organization of MISO States (“OMS”) hereby respectfully submits this Request for Rehearing and Clarification of the Commission’s: (1) *Order on Compliance Filings*¹; (2) *Order Conditionally Accepting Compliance Filing*²; and (3) *Order Conditionally Accepting Compliance Filing*³ all issued on March 20, 2014, in the above captioned dockets.

¹ *Midcontinent Independent System Operator, Inc.* 146 FERC ¶ 61,212, (2014) (“March 20 Order”)

² *Midcontinent Independent System Operator, Inc.* 146 FERC ¶ 61,211, (2014) (“March 20 NIPSCO Order”)

³ *Midcontinent Independent System Operator, Inc.* 146 FERC ¶ 61,210, (2014) (“March 20 Vectren Order”)

On September 20, 2013, the OMS filed an intervention in these proceedings. On October 18, 2013, the OMS filed comments in these proceedings. On December 5, 2013, the OMS filed an answer in these proceedings. Accordingly, the OMS is a party to these proceedings.

I. 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 Midwest Independent Transmission System Operator, Inc. (“MISO”) Tariff are sufficient to ensure just and reasonable rates.⁴ To address whether MISO’s pro forma formula rate protocols and individual MISO transmission owners’ (“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. The Commission also stated, “Consistent with our general policy of providing maximum protection to customers, we will set the refund effective date at the earliest date possible, which will be the date the notice of the initiation of the investigation in Docket No. EL12-35-000 is published in the *Federal Register*.”⁵ The refund effective date of May 23, 2012 was thereby established.

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

⁴ *Midwest Independent Transmission System Operator, Inc.*, 139 FERC ¶ 61,127 (2012) (“May 17 Order”).

⁵ May 17 Order, at P 25.

to ensure just and reasonable rates.⁶ Accordingly, the Commission directed MISO and its TOs using formula rates to file revised formula rate protocols.⁷

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. Northern Indiana Public Service Company ("NIPSCO") filed separately in Docket Number ER13-2376-000 and Southern Indiana Gas & Electric Company ("Vectren") filed separately in Docket Number ER13-2375-000.

On October 18, 2013, the OMS filed comments providing observations and recommendations regarding the September 13 filings made by MISO and the MISO TOs. Similarly, on December 5, 2013, the OMS submitted an answer to the comments made by parties in these proceedings.

On March 20, 2014, the Commission issued the March 20 Order, the March 20 NIPSCO Order, and the March 20 Vectren Order which conditionally accepted, subject to further compliance, the MISO TOs' September 13 filings to become effective January 1, 2014.

II. SPECIFICATION AND STATEMENT OF ERRORS

- A. The Commission erred when it allowed the revised formula rate protocols to become effective on January 1, 2014, rather than the refund effective date of May 23, 2012, established in the Commission's May 17 Order.**

- B. The March 20 Order failed to make clear that the proposed protocols apply to the initial establishment of a formula rate revenue requirement by a MISO TO. If the Commission finds that the March 20 Order does not apply the revised formula rate protocols to the initial establishment of a TO's revenue requirement, then the OMS requests rehearing on this issue.**

⁶ *Midwest Independent Transmission System Operator, Inc.*, 143 FERC ¶ 61,149 (2013) (May 16 Order).

⁷ May 16 Order, at P 1.

III. ARGUMENT

A. The OMS seeks rehearing of the Commission's decision in the March 20 Orders to allow the revised formula rate protocols to become effective on January 1, 2014, rather than the refund effective date of May 23, 2012, which was established in the Commission's May 17 Order.⁸

In the March 20 Order, the March 20 NIPSCO Order and the March 20 Vectren Order, the Commission allowed the revised formula rate protocols to become effective on January 1, 2014, as requested by the MISO TOs.⁹ In support of its decision, the Commission stated:

In this case, it is unclear that customers would benefit from the retroactive application of the revised protocols. In the May 16 Order, the Commission held that the existing formula rate protocols provided under the Tariff were insufficient to ensure just and reasonable rates; however, the Commission made no determination as to the justness and reasonableness of the charges actually assessed. Moreover, the rate itself, i.e., the formula, continues to be just and reasonable and has not been called into question. Thus, there is no basis to conclude that the charges assessed between the refund effective date and December 31, 2013, were unjust, unreasonable, unduly discriminatory or preferential.¹⁰

The issue at hand is whether the charges produced by the formula rates that were in effect under the MISO tariff during the period May 23, 2012, and December 31, 2013, were possibly unjust or unreasonable. The Commission found that the MISO and individual company formula rate protocols were insufficient to ensure just and reasonable rates during that period,¹¹ and, made the determination to establish May 23, 2012, as the refund effective date as the cure for the insufficiently just and reasonable protocols. Accordingly, it is inappropriate for the Commission to allow January 1, 2014, to be the effective date for the revised, just and reasonable protocols, rather than May 23, 2012.

⁸ The Mississippi Public Service Commission does not join the arguments in Section III.A.

⁹ March 20 Order, at P 126, March 20 NIPSCO Order, at P 72, and March 20 Vectren Order, at P 65.

¹⁰ March 20 Order, at P 127.

¹¹ May 16 Order, at P 1.

The OMS takes no issue herein with the use of formula transmission rates or whether the formula itself is just and reasonable. Nor is the OMS challenging the Commission's statement that the formula rate itself continues to be just and reasonable. Accepting that premise, however, is not sufficient basis to conclude that the charges assessed under the formula between May 23, 2012, (the Commission's established refund effective date) and December 31, 2013, were just, reasonable and not unduly discriminatory or preferential. Rather, it has always been the OMS's position that a transparent and comprehensive review process is necessary to determine that the inputs of the formula rate are prudent and reasonable and that without such a review, there is no reasonable basis to conclude that the charges resulting from a formula rate are just and reasonable. By not applying the revised protocols back to the refund effective date duly established in the May 17 Order, the Commission now appears to be suggesting that the existence of a just and reasonable rate formula for the period between May 23, 2012, and December 31, 2013, ensures a just and reasonable charge, even though the formula rate protocol (i.e., the necessary transparent review process) that was in effect, by the Commission's own finding, was insufficient to ensure just and reasonable rates.

The Commission stated in its May 17 Order:

Because the formula rates for transmission service presently on file with the Commission do not typically require transmission owners to make a section 205 filing to update their annual transmission revenue requirement, safeguards need to be in place to ensure that the input data is the correct data, that calculations are performed consistent with the formula, that the costs to be recovered in the formula rate are reasonable and were prudently incurred, and that the rates are just and reasonable.¹² The safeguard that has often been employed is formula rate protocols.

¹² While a party that challenges the transmission owner's projected costs must do more than make unsubstantiated allegations, *see Interstate Power & Light Co. v. ITC Midwest, LLC*, 135 FERC ¶ 61,162, at P 18 (2011), the transmission owner bears the ultimate burden of demonstrating the justness and reasonableness of the charge

The reason for including formula rate protocols in formula rates for transmission service is to provide the parties paying such rates specific procedures for notice, review, and challenges to the transmission owner's annual updates. Such formula rate protocols, in order to fulfill this purpose, should afford adequate transparency to affected customers, state regulators or other interested parties, as well as provide mechanisms for resolving potential disputes; they can be an important tool in ensuring just and reasonable rates.¹³

The OMS asserts that a conclusion of just and reasonable charges for the period between May 23, 2012, and December 31, 2013, can be reached only after a transparent and comprehensive review of the formula rate inputs for that period has taken place using a just and reasonable protocol process. As the Commission stated in the May 16 Order, the transparency of both a formula rate and its inputs are necessary to their being just and reasonable.¹⁴ Given that a transparent and comprehensive review has not taken place for the formula rate inputs that produced the formula rate charges that were in effect between May 23, 2012, and December 31, 2013, (given the insufficiency of the protocol in place for that period), the Commission cannot conclude that the rate charges were just and reasonable.

The OMS continues to acknowledge that, because the revised protocols contain milestone dates, it is not possible to apply the revised protocols in their entirety to the period between May 23, 2012 and December 31, 2013. The OMS asserts, however, that, having previously set the refund effective date for the effectiveness of just and reasonable protocols, the Commission must apply as much of the revised formula rate protocol process as possible to the formula rate updates used to produce charges billed during the period between May 23, 2012, and December 31, 2013. As noted in the OMS's comments, to do otherwise would not only deviate from the

resulting from its application of the formula. *Va. Elec. & Power Co.*, 123 FERC ¶ 61,098, at P 47 (2008); *Am. Elec. Power Co., Inc.*, 124 FERC ¶ 61,306, at P 36 (2008).

¹³ May 17 Order, at P 9-10.

¹⁴ May 16 Order, at P 83.

Commission's general policy of providing maximum protection to customers, but would also effectively result in a Commission accession to potentially unjust and unreasonable rates.¹⁵

The Commission should consider that MISO TO plant additions reported in 2011 FERC Form 1s have been included in formula rates effective during 2012. The value of these plant additions will impact formula rates for decades to come as a return on and of the plant additions are recovered through TO formula rates. MISO TO plant additions placed in service or recovered through a CWIP incentive included in the formula rate cost of service may only be challenged during the initial period that the costs are included in the formula rate. Establishing the effective date at May 23, 2012 for the revised protocols would provide the first opportunity for meaningful review of those charges by state commissions and other interested parties. In the case of MISO historical-based formula rates, prior to the protocol revisions, protocols allowed for no review by any interested party, state commission or member of any formula rate costs. Forward-looking formula rates, prior to the protocol revisions, provided for greater participation but still excluded state commissions and other interested parties.

The Commission's decision to allow a January 1, 2014, effective date also conflicts with Section 206(b) of the Federal Power Act ("FPA") which requires that when the Commission institutes a Section 206 investigation on its own motion, the Commission establish a refund effective date that is no earlier than the date of publication of the notice of the Commission's initiation of its investigation in the Federal Register, and no later than five months after the publication date. Having duly established such a date, the Commission must now give that date meaning, and not simply ignore the fact of its establishment. Moreover, the Commission has an obligation under the FPA that extends beyond just ensuring that the formula itself is just and

¹⁵ OMS Comments, at 11-12.

reasonable. The Commission also has an obligation to ensure that the charges flowing from the formula rate both are, and remain, just and reasonable. While the breadth of the Commission's discretion is at its zenith when fashioning remedies, such discretion does not allow the Commission to ignore the requirements of the FPA.¹⁶ Absent application of a just and reasonable protocol process to the formula rate updates producing charges for the period between May 23, 2012, and December 31, 2013, the Commission cannot ensure that those charges were just and reasonable, and would thus fail its Section 206 obligation.

As the May 16 Order notes, the existing formula rate protocols provided under the MISO tariff were insufficient to ensure just and reasonable rates. While the Commission argues that the charges produced by the formula rates could have been just and reasonable, there is no way to know given the insufficiency of the protocol process that was in effect. Indeed, the magnitude and range of deficiencies identified by the Commission in the formula rate protocols with respect to scope of participation, transparency and challenge procedures implies that the Commission was, at the time of the May 16 Order, indeed concerned that the charges resulting from the formula rate may be unjust and unreasonable.

Given that the time period between May 23, 2012, and December 31, 2013, has specifically been determined to have had insufficiently just and reasonable formula rate protocols in effect, there is no basis to conclude that the charges produced by the formula rate for that period are just and reasonable. As such, it is both appropriate and reasonable to apply as much of the revised formula rate protocol process as possible (particularly the information request and challenge provisions) to the formula rate updates used to produce charges billed during that period. Taking such steps would not constitute retroactive ratemaking because notice was

¹⁶ March 20 Order, at P 126.

provided by the Commission in the form of establishment of the refund effective date. Moreover, to ignore the Commission's properly established refund effective date and to set January 1, 2014 as the effective date for the revised protocols would not provide customers protection with respect to transmission charges levied under the formula rates between the period of May 23, 2012, and December 31, 2013.

For these reasons, the OMS seeks rehearing of the Commission's decision in the March 20 Order to allow January 1, 2014 as the effective date for the revised protocols in this case, and requests that the Commission instead re-confirm May 23, 2012, as the proper effective date.

B. The OMS requests clarification that the March 20 Order requires the revised protocols to be applied to the initial establishment of a formula rate revenue requirement by a MISO TO. If the Commission declines to grant such clarification, then the OMS seeks rehearing on this issue.

While the March 20 Order contains numerous findings and directives regarding the existing MISO TOs' formula rate protocols, the order does not state clearly whether or not the revised protocols are to also apply to the initial establishment of a TO's revenue requirement under the formula rate, for example, for a newly joining MISO TO.

The OMS notes the following excerpt from the March 20 Order referencing paragraphs 86-88 of the May 16 Order:

The May 16 Order found that MISO's formula rate protocols provided insufficient transparency with respect to information about the transmission owners' costs and revenue requirements. The Commission required transmission owners to annually post their revenue requirements and relevant information on both MISO's website and Open Access Same-Time Information System (OASIS), and to hold an annual meeting open to all interested parties to review and discuss the posted information. The Commission stated that the annual posting should include the information necessary to understand and evaluate the implementation of the formula rate for either the correctness of inputs and calculations, or the reasonableness of the costs to be recovered in the formula rate. The Commission further required transmission owners to disclose any accounting changes during

the rate period that affect the inputs into the formula rate or the resulting charges.¹⁷

This passage from the Commission's March 20 Order, as well as the portion of the May 16 Order referenced therein, speak generically about the transmission owner's costs and revenue requirements. The concerns expressed therein about a TO's costs and revenue requirements apply just as much to a TO's initial revenue requirement, and the charges flowing there from, as they do to subsequent annual updates of the formula rate. The Commission's March 20 Order, however, does not specifically and clearly state that the revised formula rate protocols are to apply to the initial establishment of a TO's revenue requirement under the formula rate process.

With respect to charging rates for projected revenue requirements, the March 20 Order states:

We will require the MISO Transmission Owners to revise the proposed forward-looking protocols to apply to the projected revenue requirement, in addition to the true-up, as requested by protestors. The May 16 Order required transmission owners to post their revenue requirements and relevant information, and to hold an annual meeting where transmission owners and interested parties can discuss the calculations.¹⁸ This language was meant to apply to all revenue requirements, including projected revenue requirements. We agree with protestors that it is unreasonable to require customers to pay rates based upon projected revenue requirements, while prohibiting them from having access to the process for reviewing and challenging those rates. Further, we will require the MISO Transmission Owners to ensure that interested parties have appropriate time to review the updates to the projected costs, since these updates may not be available until after the June 1 date. Consistent with our finding here, we will also require the MISO Transmission Owners to revise the Tariff to provide that informational filings contain information necessary to review the reasonableness of projected costs for transmission owners with forward-looking rates.¹⁹

In this passage, the Commission found that "it is unreasonable to require customers to pay rates based upon projected revenue requirements, while prohibiting them from having access to the

¹⁷ March 20 Order, P 20, emphasis added.

¹⁸ May 16 Order, at P 86.

¹⁹ March 20 Order, at P 62, emphasis added.

process for reviewing and challenging those rates.”²⁰ The OMS asserts that it is equally unreasonable to require customers to pay rates that flow from the initial revenue requirement adopted by a TO that newly joins MISO unless interested parties have access to the process for reviewing and challenging those rates. In that circumstance too, interested parties need the same transparency, information request opportunities and challenge opportunities set forth in the revised protocols. Unless the revised protocols are applied to the initial revenue requirement under the formula rate process and the charges flowing from the establishment of the initial revenue requirement, there will be insufficient basis on which to ensure just and reasonable rates for the TO’s initial year as a MISO member.

In addition, for a new MISO TO whose initial revenue requirement is established based on historical costs, unless the protocols apply to the initial establishment of that revenue requirement, there will be no opportunity in the rate update and true-up process for interested parties to exercise information request and challenge procedures with respect to the charges produced by the formula rate in the TO’s initial year as a MISO member. This is because historical formula rates rely on FERC Form 1 data from the previous year and the review process under the protocols would not occur until the following year – which would then be limited to the calculations and prudence of the FERC Form 1 data for the year of the TO’s initial service, not to FERC Form 1 data for the year preceding the TO’s initial year (which, under the historical rate process, is the year whose costs are used to establish the initial revenue requirement and charges levied in the TO’s first year as a MISO member).

For these reasons, the OMS requests that the Commission clarify that the revised formula rate protocols apply to both TOs that are currently employing formula transmission rates and to

²⁰ March 20 Order, at P 62.

those TOs that are initially establishing a revenue requirement under the MISO formula rate process (e.g., for a transmission owner newly joining MISO). If the Commission does not so clarify, then the OMS herein requests rehearing on this issue.

IV. CONCLUSION

Wherefore, for the reasons explained herein, the OMS requests rehearing of the Commission's acceptance of January 1, 2014 as the effective date for the revised protocols in this case and requests that the Commission confirm May 23, 2012, as the proper effective date.

The OMS also seeks clarification that the revised protocols apply to the initial establishment of a revenue requirement under the formula rate process for a transmission owner initially joining MISO as a member. If the Commission does not so clarify, the OMS seeks rehearing regarding such failure to apply the revised protocols to the establishment of the initial revenue requirement under the MISO formula rate process.

The OMS submits this pleading because a majority of its members has agreed to generally support it. Individual OMS members reserve the right to file separate pleadings regarding the issues discussed herein. The following members generally support this pleading:

Arkansas Public Service Commission
Illinois Commerce Commission
Iowa Utilities Board
Kentucky Public Service Commission
Minnesota Public Utilities Commission
Mississippi Public Service Commission
Missouri Public Service Commission
North Dakota Public Service Commission
South Dakota Public Utilities Commission
Public Utility Commission of Texas
Wisconsin Public Service Commission

The Louisiana Public Service Commission, the Michigan Public Service Commission, the Montana Public Service Commission, and the City of New Orleans abstained from voting on this

pleading. The Manitoba Public Utilities Board did not participate in this pleading. The Indiana Utility Regulatory Commission opposed this pleading.

The Indiana Office of Utility Consumer Counselor, the Iowa Office of Consumer Advocate, and the Minnesota Department of Commerce, as a associate members of the OMS, participated in this pleading and generally support it.

Respectfully Submitted,

William H. Smith, Jr.
William H. Smith, Jr.
Executive Director
Organization of MISO States
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Dated: April 18, 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 Des Moines, Iowa, this 18th day of April, 2014.

William H. Smith, Jr.

MISO Draft Resource Adequacy Principles

Comments by the Organization of MISO States

April 17, 2014

The Organization of MISO States (OMS), by its Board of Directors, has the following comments and concerns related to the MISO Draft Resource Adequacy Principles, first presented to the MISO stakeholders at the April 3, 2014, Supply Adequacy Working Group (SAWG) meeting.¹

Resource adequacy is a foundational concern of state utility regulators. Whether appointed or elected, we are placed in these roles with an expectation that we will make sure the lights stay on. That the MISO stakeholders and MISO continue to dialogue on resource adequacy is appropriate, but OMS questions both the need for MISO to develop principles in this area, and the draft that has been circulated. Our broad concerns lie in three areas.

1. Process - Stakeholders were given only 12 calendar days (April 3 through April 14) to review the draft. That is a wholly inadequate period in which to respond, and is fundamentally at odds with MISO's stakeholder process. Issues of much less import and controversy spend months in the MISO stakeholder review process. OMS requests that if MISO continues to support the creation of its own resource adequacy principles, it finalizes them only after a much more rigorous and open stakeholder process.
2. Continued MISO Misunderstanding of MISO's Role in Resource Adequacy – MISO maintains grid reliability and runs relevant markets. The states, and those they regulate, maintain resource adequacy. If the resources built under state authority are not available as expected, then MISO has an obligation to take appropriate action up to and including ordering firm load shedding and penalty assessment. But it is the states that have the sole authority to get capacity resources built. This distinction is an important one – a jurisdictional line in the sand – and that line is occasionally crossed in MISO's draft principles.²

¹ OMS has its own "Revised Principles for Resource Adequacy," adopted most recently on August 12, 2010. See <http://www.misostates.org/files/OMSPinciplesforResourceAdequacyAug2010.pdf>. These comments are not meant to supplant or modify those principles.

² The Mississippi Public Service Commission further notes that it is within the retail regulator's sole jurisdiction whether transmission is constructed to address resource adequacy within that state. The Mississippi Public Service Commission supports MISO's efforts to conduct studies to determine where transmission could be built to address resource adequacy and provide that information to retail regulators and market participants for their decision making process.

3. Specific Concerns with the Draft Principles – Individual OMS member states have a variety of concerns with the specific draft principles, and the time allotted for review is not adequate to allow the OMS Board to reach consensus on the full plate of problems. Generally, however, the following troubling themes recur throughout the draft principles (and the stated “Desired Business Outcomes”):
 - a. Statements that MISO has a responsibility for resource adequacy. This is not accurate, as noted above.
 - b. Statements that MISO must achieve resource adequacy in all time horizons. This muddles evaluation (which may be appropriate by MISO in longer time frames) with a compliance obligation, which is squarely on the shoulders of LSEs and states. It also hints at a construct that is mandatory and binding, something that OMS and the vast majority of stakeholders in MISO have resisted with good reason.
 - c. Just and reasonable rates. Surely important, but not something that is under MISO’s authority.
 - d. Lowest possible cost. Resource adequacy is about more than lowest cost planning, though that is certainly a key concern. Resources may well come at a cost above lowest, particularly if they are to be adequate at all times and they are to take into account state-specific matters of public policy.

Despite these criticisms, we remain a full partner in this area, as evidenced by our long-term involvement in the development of the current MISO capacity construct and our willingness to participate with MISO in the ongoing resource adequacy assessment. We look forward to a more open and full debate on MISO’s proposal.

Approved by the OMS Board of Directors
April 17, 2014

1. MISO Market Enhancement Development Project

Status: monitoring

At the April 1, 2014 Market MSC meeting, MISO reviewed the refined Market Enhancement Roadmap timeline and an example of the type of information it will provide for each initiative on the posted list. MISO will schedule a special Market Subcommittee conference call on May 15 to provide the initial rankings of the Market Roadmap Initiatives based on evaluations.

2. MISO April 1 MSC Meeting

Status: monitoring.

MISO provided updates on Market Roadmap Development, Extended Locational Marginal Price (ELMP) (Parallel operation starts 5/4/2014 and completes 8/2/2014), IMM Seasonal Review and ORCA questions from SMWG.

3. MISO April 2 FTR Workshop

Status: monitoring.

At the April 2 meeting, the workgroup discussed MISO's Multi-Period Monthly Auctions (MPMA) outage modeling impacts on FTR profitability & funding. Gathering outage data early can mitigate the impacts.

4. OMS call with the IMM

Status: planned.

The next call with the IMM is scheduled for May 8 at 1pm CT/ 2pm ET. The M&TWG is seeking a staff member to volunteer to host the call. Anyone with questions for Dr. Patton should send them to Brandon or Hwikwon.

For those interested, please note the following MISO meetings:

MISO Board of Dirs Markets Committee – monthly meetings (4/23 next mtg)

MISO Market Subcommittee - monthly meetings (4/29 next mtg)

MISO FTR Working Group – monthly meetings (4/30 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

Brandon Mauch and Hwikwon Ham, Markets and Tariffs Work Group co-chairs

OMS Regional Planning Work Group
Report to OMS Board of Directors – April 17, 2014
(Co-Chair Julie Urban)

PAC Update

MTEP15 EGEAS Results have been postponed until the May PAC meeting.

MISO is in the process of designing the Transmission Developer Qualification and Selection (TDQS) Process and drafting BPM language. MISO has asked for ideas on how to best analyze transmission bids. There will be separate workshops to focus on pieces of this process. Four meetings to discuss Developer bid evaluation and Transmission Proposal Requests have been scheduled: May 15; June 5, June 26 and July 15.

MISO deviated from the usual weighting process for MTEP futures which has been based on the average weighting across the PAC sectors. The RPWG requested that MISO provide a written explanation of how the weightings for MTEP15 were calculated. MISO said that there will be BPM language describing the process going forward.

Other WG Activities

Purdue University's SUFG which is conducting the Long Term Forecast met with OMS on April 10. Dr. Gotham reviewed the scope and methodology of the study and answered questions by regulatory staff. Dr. Gotham said that the state forecasts would be made available to us for review. There will be three stakeholder workshops: one on April 30, one in July and one in September. Staff requested that workshop materials be made available for review at least one week prior to the workshop. The RPWG will be actively monitoring this effort.

The RPWG submitted feedback to MISO on the South to Midwest Future and the future weighting process of the MISO South Market Efficiency Planning Study. The RPWG also submitted feedback to MISO on the BPM language for Top-Down Planning.

The RPWG is soliciting feedback from members on the TDQS process and the SPP IPSAC planning process. This feedback is due via email to the RPWG by April 23. We are having a meeting on April 25 to discuss feedback on these items and any new feedback requested during the May PAC meeting.

OMS Seams Work Group

April 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 special JCM conference call on April 14th to discuss the results of the Fact Finding on capacity deliverability and the initial reports.**
 - ♦ MISO and PJM each released their own detailed FF reports 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.
 - ♦ The RTOs also released a joint FF report summary and a presentation for the special conference call.
 - ♦ The detailed reports and other materials are [available here](#). The report will be discussed again at the next JCM meeting.
 - ♦ PJM will be accepting comments on their draft report through **April 28, 2014**. Comments should be sent to Stu Bresler at bresler@pjm.com.
 - ♦ MISO should be issuing a request for feedback on their draft report in upcoming days.
 - ♦ The results of Fact Finding #1 and #2 detailed in these reports seem to be responsive to the requests of OMS and OPSI on those items (FF#1 is a generation deliverability analysis and FF#2 is a transfer capability analysis). However, there are still a number of issues that OMS and OPSI identified as needing attention through these Fact Finding efforts that the RTOs have simply relegated to “unresolved issues” that the reports do not fully address and simply describe that much more work and discussion would be necessary to provide answers on.
 - ♦ The RTOs have made indications that they will not file these reports in the FERC Administrative Docket for capacity deliverability and the overall JCM process (AD14-3). Some State 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.

- Interchange Optimization
 - ♦ At the March 21st JCM meeting, MISO and PJM reviewed analysis associated with interchange optimization, provided an overview of PJM NYISO Coordinated Transaction

Scheduling (CTS) and discussed the proposed work plan for MISO-PJM solution development.

- ♦ 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 hold a special issue meeting on Interchange Optimization on April 18th**

Next MISO PJM JCM meeting is scheduled for May 28th, at PJM facilities in Valley Forge, PA

PJM Capacity Import Limit Proposal Proceedings

- PJM's capacity import limits (CIL) filing: [Docket No. ER14-503](#).
- On December 20th OMS filed a placeholder Intervention in this docket to preserve the ability to file substantive comments at a later time if necessary.
- Awaiting FERC action in this proceeding. PJM has announced that they expect a FERC decision on or around their requested date of **April 22, 2014**.

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.

Settlement proceedings have been ordered in this and the consolidated dockets below.

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).

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 MOPSC 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 Meeting, April 4, 2014

- Discussed a methodology dispute between MISO and the other parties in the ORCA on how to measure 2000 mW (or other numbers) of flow between MISO North and MISO South. This may be of less critical importance in the near future due to the MISO filing limiting the flows between MISO North and MISO South.
- SPP is having discussions on a potential “Freeze Date” replacement for the Congestion Management Process (CMP). These are similar, though not exactly so, to discussions within the MISO Seams Management Working Group.
- SPP is also having discussions on Interface Pricing, as SPP stakeholders have expressed a concern that if MISO and PJM develop an agreement on Interface Pricing, that SPP will be faced with a ‘take it or leave it’ scenario. This will probably be discussed in the future more at the SPP Market Working Group.

SPP MISO Interregional Planning Stakeholder Advisory Committee (IPSAC) Meeting, Carmel, Indiana, April 8, 2014

- Discussed the scope of the Coordinated System Plan study prepared by the MISO and SPP staffs. The scope is to study reliability and economic issues in a single “Business as Usual” future. Comments on the scope are due by April 25, 2014
- SPP and Associated Electric Cooperatives, Inc. (AECI) had an IPSAC meeting of their own on March 18, and information from that meeting may be useful within the MISO-SPP Coordinated System Planning Process. Topics of discussion are provided within the link <http://www.spp.org/publications/March%2018%20IPSAC%20Meeting%20Notes%20-%20Final.pdf>
- Next MISO-SPP IPSAC is tentatively scheduled for August 2014.

WAPA has announced an interest in joining SPP

- http://ww2.wapa.gov/sites/western/newsroom/NewsReleases/Documents/2013/110113_UGP_RTO.htm
- This development is important because of the possibility that it may create new seams between MISO and SPP, if WAPA joins SPP.

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