

**ORGANIZATION OF MISO STATES, INC.
EXECUTIVE COMMITTEE MEETING MINUTES
FEBRUARY 27, 2004**

NOTE: Amended and Approved March 25, 2004

Commissioner Susan Wefald, President of the Organization of MISO States, Inc. (OMS), called the February 27, 2004, Meeting of the OMS Executive Committee to order via conference call at approximately 2:00 p.m. Central. The following people participated in the meeting:

Susan Wefald, North Dakota
Bob Nelson for Laura Chappelle, Michigan
Bert Garvin, Wisconsin
Diane Munns, Iowa
Steve Gaw, Missouri

Kevin Holtsberry for Judy Jones, Ohio
Nancy Campbell, Minnesota DOC
Klaus Lambeck, Ohio
Randy Rismiller, Illinois
Bill Smith, OMS

The directors and proxies listed above established the necessary quorum of three (3) Executive Committee members.

Two changes to the draft Minutes of the January 30 Executive Committee Meeting were discussed. Comm. Garvin moved to approve the amended minutes and Comm. Munns seconded the motion, which carried.

Comm. Munns moved to approve the January 20 Executive Committee meeting minutes as drafted. Comm. Garvin seconded the motion and it passed.

1. Shall OMS assign responsibility to participate in new MISO Regional Expansion Criteria and Benefits Taskforce? -- Bill Smith

Bill Smith said this task force plans to have a white paper out next week and that he thinks the OMS working groups should be involved. Comm. Wefald suggested that the OMS Pricing Working Group and the OMS Planning and Siting Working Group participate in that task force's meetings. Comm. Garvin pointed out that the RECB Task Force will touch on issues handled by other OMS working groups as well, such as FTRs, Seams and Resource Adequacy. Comm. Munns agreed with him. Bill Smith said he would monitor the situation and keep the OMS updated.

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2. Review OMS schedule for filing comments with MISO on MISO Market Tariff on March 15 and with the FERC on March 31.

Nancy Campbell reported that the OMS and MISO had a conference call to discuss the draft tariff today and that the deadline for comments on the draft tariff is next Monday at noon.

Comm. Wefald asked for others' comfort level with the OMS current schedule to review the working groups' draft tariff comments before the March 12 OMS Board meeting – will there be enough time?

Nancy said that MISO provided more details in this draft tariff than in the 2003 tariff. She noted that the OMS schedule would mean that the OMS would not be able to make much use of MISO's March 10-11 technical conference regarding the draft tariff.

3. Discussion on process for handling conflicting views within OMS

Comm. Garvin pointed out that the OMS bylaws call for majority and minority views to be expressed. He said he was concerned that OMS is moving towards a legislative model that will lead to watered down consensus language in OMS comments. He said he would prefer OMS to use a judicial model and make sure that all minority views are fully expressed.

Comm. Wefald asked Comm. Garvin if he was saying that there should be a deadline for minority states to send their views.

Comm. Nelson said he agreed that a judicial approach is okay for FERC comments, but there's not time for that approach for comments to MISO regarding the draft tariff.

Comm. Munns said she agrees with Comm. Garvin. She suggested that the OMS identify differences and explain what's driving the differences. Gaining better understandings could bring minority states into the majority.

Comm. Wefald said she would work with Bill Smith on a schedule for FERC comments that incorporate minority viewpoints.

4. Should we approve 15 \$500 travel stipends for staff or commissioners (one per state) to attend the Transmission Siting Workshop organized by the Regulatory Assistance Project for the National Council on Electric Policy at Michigan State Univ. on April 6?

Comm. Nelson said he was concerned that \$500 was not enough, especially considering the registration fees.

Comm. Munns clarified that there were two programs – one on general siting issues and a Regulatory Assistance Project program on electricity siting issues in particular – and that the \$295 registration fee applied to the former and not the latter. She noted that it is very expensive to fly in and out of East Lansing, however, and shared Comm. Nelson's concerns.

Comm. Wefald said states can ask for more money if \$500 is not enough.

Comm. Munns said that special needs states should apply for help.

Comm. Nelson moved to approve 15 \$500 travel stipends for staff or commissioners (one per state) to attend the Transmission Siting Workshop organized by the Regulatory Assistance Project for the National Council on Electric Policy at Michigan State Univ. on April 6. Comm. Munns seconded it, and it passed.

5. Update on planned work in 2004 of the Siting and Transmission Working Group

Klaus Lambeck reported that prior to August 14, 2003, his working group decided to identify projects in MISO's MTEP03 to see what would it take to actually build those lines. He said those answers will lead to guidelines. Then the blackout occurred and now his working group is reviewing MTEP04 and the beginnings of MTEP05 and Jeff Webb from MISO said that MISO would update its MTEP every six months.

Klaus noted that planning and siting are two distinct sets of policies. He said he had sent his working group two page documents on siting principles and on planning principles. The working group is still reviewing those documents. Klaus said the principles document would be a living document.

Comm. Munns asked how MISO's planning activity is being reviewed by OMS. Klaus replied that MISO's planning activities are not being reviewed by OMS at this time. MISO is still revising its PROMOD production cost model. The OMS Planning and Siting Working Group has not yet started work on planning criteria because it needs more information about MISO's MTEP. Also, MISO has not provided any planning information.

Comm. Munns suggested that the OMS be involved in MISO's planning process.

Klaus said there was an OMS Planning and Siting Working Group conference call scheduled for March 4. Comm. Munns suggested splitting the Planning and Siting Working Group into separate working groups. Klaus said that we have to

begin with one group and that he is leery of splitting the group. Comm. Wefald directed Klaus to discuss Comm. Munn's idea with his working group and submit a work plan for the upcoming year.

6. Closed session: Julia Mitchell employment agreement