

The Organization of MISO States Executive Committee will hold a meeting by conference call, Thursday, January 27, 2005 at 2:00 pm (central time). The call in number is 877- 452-6418. The conference code is 701- 328-2400 followed by the # sign. Board members who cannot attend the call should notify Ken Nickolai to designate a proxy for this meeting.

Agenda

Attendance

Recognition of Proxies

Declaration of a Quorum

Call Meeting to Order

Approval of the Minutes of the December 23 and January 13 Special meeting – Ken Nickolai, Secretary (minutes to be sent by Jan 24)

Business Items

1. Review of upcoming dates - Bill Smith
2. Discussion of restructure of OMS work groups - Bill Smith
3. Action item - Appoint Personnel Committee to review contracts for OMS staff - Kevin Wright

Announcements

- Next regular OMS Executive Committee Meeting Thursday, February 24 at 2:00 pm (cst)

**ORGANIZATION OF MISO STATES, INC.
EXECUTIVE COMMITTEE MEETING MINUTES
December 23, 2004**

DRAFT

Commissioner Susan Wefald, President of the Organization of MISO States, Inc. (OMS), called the December 23, 2004 Meeting of the OMS Executive Committee to order via conference call at approximately 2:00 p.m. (CST). The following directors participated in the meeting:

Susan Wefald, North Dakota
Bert Garvin, Wisconsin
Diane Munns, Iowa
Steve Dottheim, proxy for Steve Gaw, Missouri

Absent - Laura Chappelle, Michigan

Others participating in the meeting were:

Kevin Wright, Illinois
Margaret Barnabee, Illinois
Ken Nickolai, Minnesota
Bill Smith, OMS

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

Steve Gaw offered a motion to adopt the November 30, 2004 OMS Executive Committee meeting minutes as distributed. Diane Munns seconded. By voice vote the directors unanimously approved the minutes as presented

Business Items

1. Discussion - Review dates of OMS filings January and February - Bill Smith

Bill Smith highlighted some of the filing dates referred to in the work group schedules document (follows minutes)

- Long Term Transmission Pricing - Rehearings due December 20.
- Data Access - Next meeting Jan 4. FERC offered its resolution service; encourages participation at meetings in person. (to be held in Carmel, IN from 2 pm to 6 pm EST)
- FTR Allocation - Tier 2 nominations have been completed; results have been sent out.
- Market Readiness - MRIT WG is on schedule to draft comments. Letters were sent out 12/22/04 listing states with readiness issues
- Energy Market Tariff - FERC issued order December 20. Summary sent out by Bill today via email.
- Bill offered to circulate the Scott Hempling draft (12/22) to the OMS board today.

2. Possible voting item - OMS reimbursement of key staff travel to PJM capacity market training (Chicago, Jan 10 or Washington, D.C., Feb 13)

President Wefald referred to an invitation Margaret Barnabee had forwarded to OMS commissions inviting them to participate in the capacity training workshop sponsored by PJM in Chicago January 10. Another idea was to offer training at the time of NARUC in Washington in February. President Wefald suggested that OMS should offer training opportunities to its commissions about capacity markets. She opened the idea to funding ideas. Bill Smith read from a list of dates Margaret

Barnabee had prepared that would be available to OMS commissions: Jan 20, January 26 and February 13. Jan Karlak's RAWG group planned to set-up call-in training for OMS on January 12 and 26. President Wefald felt that OMS would be willing to fund travel expenses for individuals to attend a training session in person. Margaret Barnabee thought that the presentation could easily be held in person - and she would arrange with Jan Karlak to do so. President Wefald asked committee members if they felt a six hour training workshop could be as effective on the phone as in person. Kevin Wright has attended the training in Chicago, and would recommend that anyone who possibly could, attend in person. It is very complicated material. Ken Nickolai proposed that RAWG set up two sessions: one in Minneapolis and one in Chicago.

- **Diane Munns moved that a \$500 travel stipend be available for two persons per state to attend capacity market training on either Jan 26 in Chicago or an alternate date and site chosen by the RAWG chair. David Sapper seconded. The motion was unanimously approved by a voice vote of committee members.**

3. Assign Transmission Planning and Siting WG proposed state statutes from NCSL to review and comment. - Susan Wefald

President Wefald asked that the Transmission Planning and Siting WG be assigned the task of preparing draft comments for NCSL on the proposed state statutes they have sent to OMS. The working group will be asked to have them ready for the January 13 OMS board meeting. There was a consensus of executive committee members that the TPSWG be assigned this task.

4. Report on MISO Special Advisory Committee Meeting - Steve Gaw

On December 22, 2004 a Special MISO A/C meeting was held in Carmel. Bert Garvin, Diane Munns and Steve Gaw attended the closed meeting. Because the meeting was closed, Steve is unsure what the MISO minutes will reflect.

- Each of the individual sectors was given ten minutes to voice concerns about the events of the membership meeting. In particular, each was asked to shed light on the election results of the MISO board meeting two weeks ago. Two sectors offered up-front that it was not an organized effort to unseat the two MISO board members for re-election
- Two common themes emerged from these reports: (1) transparency of the board (2) communication issues. While the sectors were vocal, the board appeared to accept the criticism very well; and the attitude of the sectors was generally positive.

Each sector was given the opportunity to offer the name of a representative to serve in a special advisory role on a committee with Bill Vititoe, Graham Edwards and Jim Torgerson. Sectors may combine and offer just one name, if they so choose. This group is intended to be small. OMS has to decide whether or not it will participate in this new group. President Wefald suggested that OMS wait until a future date to decide whether or not to choose a rep for this committee and include Bert Garvin in this discussion. (January 3 is the date MISO wants reps chosen by.)

Executive Director's Update

- President Wefald asked Bill Smith to report on the telephone interview requested by a reporter from Platt's. However, Bill received an email message today indicating the reporter was home sick with the flu, so the interview would be re-scheduled.
- Bill Smith reported that OMS has paid the Novick Group for insurance for 2005.

At this point in the meeting, Steve Gaw offered a motion that the Executive Committee go into closed session to discuss the 2004 performance review for Bill Smith and to discuss Julie's hours. Diane Munns seconded the motion. A voice vote of the committee members unanimously supported the motion. Meeting adjourned at 2:50 p.m.(cst) into closed session.

NOTE: In the closed meeting, the Executive Committee approved payment for actual hours worked by OMS staff member, Julie Mitchell, in excess of contracted amount.

OMS Working Group and Board Decision Dates

20 December 2004

Long Term Transmission Pricing

November 19	FERC decision issued
December 1	SECA Compliance Filing
December 20	Rehearing due

Data Access

Sept 30 -	FERC granted extension to January 28
December 20	Hempling draft available
Early January	Filing target
Mid-January	Comments/protests will be due

FTR Allocation

December 17-30	Tier 2 nominations completed and posted
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Market Readiness

January 28	OMS report on market readiness
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FERC orders (rehearing deadline is 30 days after issuance)

December 15	Second rehearing order on Energy Market Tariff, Docket ER04-691,
to be issued	

Possible MISO filings (comment date is usually 20 days after filing)

Mid-December	MISO to file 2005 annual budget
December 30	PJM and MISO to file JOA refinements

Other Dates To Note

January 13	OMS Board Meeting
January 19	MISO Advisory Committee
January 27	OMS Executive Committee

ORGANIZATION OF MISO STATES, INC.
SPECIAL EXECUTIVE COMMITTEE MEETING MINUTES
January 13, 2005

DRAFT

Commissioner Kevin Wright, President of the Organization of MISO States, Inc. (OMS), called the January 13 Special Meeting of the OMS Executive Committee to order via conference call, following the OMS BOD meeting at approximately 3:25 pm (cst). The following directors were present for the meeting:

Kevin Wright, Illinois
Burl Haar, proxy for Ken Nickolai, Minnesota
David Sapper, proxy for Robert Garvin, Wisconsin
Judy Jones, Ohio
Steve Gaw, Missouri

Also Present:

Bill Smith, OMS

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

President Wright announced there would be one item of business on the meeting agenda:

1. Action item: Resolved, pursuant to Article X, Section 4, the Executive Committee does hereby grant authority to Steve Gaw, Commissioner of the Missouri Public Service Commission and Treasurer of the Organization of MISO States, Inc. to sign all contracts, checks and orders for the payment, receipt or deposit of money on behalf of the Organization of MISO States, Inc. and to further access all securities of the Organization.

President Wright announced that in preparing to transition to the OMS Treasurer functions, Steve Gaw's staff noticed this bylaw requirement for an Executive Committee resolution to authorize the transfer of signatures.

Judy Jones moved that the above resolution be accepted as read. Steve Gaw seconded the motion. After some discussion Judy Jones offered an amendment to her motion:

- **Resolved, pursuant to Article X, Section 4, the Executive Committee does hereby grant authority to Steve Gaw, Commissioner of the Missouri Public Service Commission and Treasurer of the Organization of MISO States, Inc. and Kevin Wright, Commissioner of the Illinois Commerce Commission and President of the Organization of MISO States, Inc. to sign all contracts, checks and orders for the payment, receipt or deposit of money on behalf of the Organization of MISO States, Inc. and to further access all securities of the Organization.**

Steve Gaw seconded the amended motion. The motion carried and was approved by a unanimous voice vote of the Executive Committee.

Meeting adjourned at 3:35 pm (cst).



Organization of MISO States

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To: Work Group Chairs
From: Bill Smith
Date: January 24, 2005
Re: Chairs meeting

We met by conference call at 1:00 CST this afternoon to review work group activity. Since several of you were unable to attend, I'll review our discussion.

Filings and OMS Board schedule

I e-mailed a revised schedule for the OMS comments on readiness and data access just before this call. There will be NO OMS Board meeting on Jan 27. There will be a special meeting on Feb 3 to discuss readiness. In the regular Board meeting Feb 10, we'll consider the data access offer of proof.

Pricing WG

RECB met Jan 21 and will next meet Feb 11. FERC is pushing for a process to evaluate "cross-RTO benefits," i.e. benefits to one RTO for construction in another. RECB will be considering that issue, with a spring 2005 target.

Seams

WG is reviewing MISO Dec 30 filing on Joint Operating Agreements, and MISO's common market timelines. The WG will participate in the call on readiness comments Jan 25 – the comment should address the different status of the agreements with MAPP, IMO, PJM, SPP, and TVA with respect to market operations March or April 1.

Market Rules and Implementation Timelines

- Tuesday, January 25 (2:00 CST)– MRIT WG call to review comments on draft comment
 - [Wednesday January 26 (2:00 CST)– MISO call to discuss draft readiness certification]
 - [Friday January 28 – MISO to file readiness certification]
- Monday January 31 – Work Group will send completed draft to Board



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- Thursday, February 3 – OMS Board meeting to review readiness comment
- Wednesday, February 9 – OMS file readiness comments at FERC

Planning and Siting

- WG is assisting NCSL project on sample siting legislation – informal comments from interested individuals may be submitted by Jan 25
- WG is monitoring NARUC's multi-state best practices project and will review any product
- WG is reviewing the NRRI siting survey information
- A subgroup has been formed of Minnesota, Iowa, Wisconsin, and North Dakota [would welcome South Dakota participation] to explore what states can do ahead of time to be ready for applications for a multi-state project.
- WG will participate in MISO planning – webcast Jan 25.
- WG will review prior work plan

Resource Adequacy

Capacity market session was held Jan 12 – next session in Jan 26.

NOTE that PJM action is scheduled on Jan 27 on capacity market.

Market Monitoring and Mitigation

Schedule for offer of proof on data access:

- Wednesday January 26, ALL comments from states (REDLINED) by close of business.** Send to: Bob Pauley bpauley@urc.state.in.us
- Monday January 31, Commissioner Hadley will send the completed / consolidated draft to Market Monitoring / Mitigation WG.
- Wednesday February 2, conference call at 3 PM EST with WG to discuss the draft.
- Friday February 4, Commissioner Hadley will send out the final draft.
- Thursday February 10, OMS Board meeting to review offer of proof.
- Friday February 11, OMS file offer of proof at FERC

** Question: did all states receive the latest draft for comment?
Illinois comments of Jan 13 do not appear to be reflected in latest draft.



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Suggestions: MMWG should look ahead to market power issues – FERC conference this week Jan 27-28. WG should look at market power issues in capacity markets.

Congestion management / FTR

MISO is now at the end of Tier 4 allocation. The WG's information is that there are few problems with the allocation results. Confidentiality limits the ability to see specific information, so if there are individual problems, states should let the WG chairs know. WG will be watching ahead to the August re-allocation process.

Demand response

New co-chairs will be Lisa Pappas, Michigan and David Borden, Illinois. They will be reviewing issues previously identified, including state practice on demand response programs.