

ORGANIZATION OF MISO STATES, INC.
EXECUTIVE COMMITTEE MEETING MINUTES
April 28, 2005

Approved 5/26/05

Commissioner Kevin Wright, President of the Organization of MISO States, Inc. (OMS), called the April 28, 2005 Meeting of the OMS Executive Committee to order via conference call at approximately 2:00 p.m. (CDT). The following directors participated in the meeting:

Kevin Wright, Illinois
Ken Nickolai, Minnesota
Judy Jones, Ohio
Steve Gaw, Missouri

Wisconsin - absent

Others participating in the meeting were:

Bill Malcolm, MISO
Kevin Holtsberry, Ohio
Burl Haar, Minnesota
Bill Smith, OMS Staff

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

Ken Nickolai offered a motion to adopt draft #2 corrected minutes of the March 24, 2005 OMS Executive Committee meeting as distributed. Judy Jones seconded. By voice vote the directors unanimously approved the minutes as presented

Business Items

1. Report on Financial Items - Bill Smith

OMS Audit Bill Smith reported that the OMS audit would be completed at any time and would be forwarded to the OMS board by email once it was available. The OMS 990 tax return for 2004 would be submitted before the due date of May 15, 2005. Bill indicated there were no exceptions or recommendations indicated in the audit at this time.

Format of the Treasurer's report After some discussion, committee members indicated that the treasurer's report should remain in the format used by OMS in the past. This would mean continuing to use only the name of the state commission and not the name of the individual receiving monies on the report.

Banking Options - for balance surplus in OMS checking account. Bill reported that OMS receives 1/2 % interest from Chase BankOne for its surplus balance. He has queried other banks and the best rate he's found so far is 1.3% last week from another bank. He will continue to seek additional options.

2. Report - Personnel Committee Update- Ken Nickolai, Judy Jones

President Wright asked that this report be moved to the end of the meeting so that it could be discussed in closed session by the executive committee members on the call.

3. Discussion: Work Group Restructure - Bill Smith

Bill Smith referred to two documents on working groups David Sapper prepared for the Executive Committee to consider. These were distributed with the March 24 Executive Committee meeting's agenda materials.

- **OMS Accounting and Financial Reporting Work Group**

The WG chairs saw this as an ad hoc project; preparing and filing comments on a FERC rulemaking docket OMS anticipates FERC issuing. They did the notice of inquiry last fall, OMS commented. This is a short-term project that has to do with what FERC is doing. Susan Wefald commented on the need for a work group that would help the states with automatic adjustment costs. Rate case support issues would entail a six to nine month time frame -- but in discussion, the executive committee felt that the direction of this work group (or task force) would be different than that of the Accounting and Financial Reporting WG. Bill Smith offered to devise a way to sound out commissions as to whether they're interested in forming a small network of people to bounce these questions back and forth. President Wright felt that Susan Wefald's issue should be addressed. Judy Jones suggested using NRRI as a possible source of help for fuel clause concerns. Bill will make this link available to the commissioners from its "buried" location on the OMS web site.

- **Long-Term Development and Governance Working Group**

Bill Smith reported that when this work group was discussed with the work group chairs, Randy Rismiller recalled that when the first work groups were being formed about two years ago, he had requested one to deal with RTO administrative issues. This working group is also to deal with MISO's administrative issues as well as the work of MISO's internal governance, the relationship of stakeholders with MISO and a strategic planning process.

The directors asked Bill in what direction he sees the WG plan headed. Judy Jones asked if there are a group of people wanting to work on these work groups. Bill indicated there are not many work group members who are not already working hard at tasks already. President Wright suggested that the MISO reps take a more prominent involvement in these two work groups. Ken Nickolai and Judy Jones concurred that that might be feasible. Bill Smith suggested that Joe Buckley, newly appointed OMS rep to the MISO Finance Committee be considered as a natural for the second of the two work groups. Both Judy Jones and Steve Gaw stated that the effort should be made to condense into one work group instead of two, if possible, to avoid the groups duplicating efforts.

Bill capsulized their suggestions that should be approved in June:

- Executive Committee to receive a formal proposal with WG name and WG leaders' names, membership for a vision group, that deals with cost and benefits, cost controls of an RTO.
- To form a task force type short-term group to address network on fuel adjustment clause issues.
- To form a task force to deal with comments to FERC.

Bill Smith also suggested that this summer - perhaps at the June meeting, collapsing the Seams Work Group, the Market Rules and Implementation Timelines Work Group and the FTR Work Group. Some still have on-going work, but consideration should still be given to fold or re-work them.

4. Report: Plans for Little Rock Board Meeting - Bill Smith

Bill Smith outlined the proposed schedule for the OMS Board meeting June 22 after the MARC meeting in Little Rock.

- Business meeting to start at 12:45 pm (limit the amount of time for business to 30 min.)*
- 1:30 pm- 2:30 pm - Market Monitor - David Patton
- 2:30 - 3:30 pm - Presentation by MSAT Group - what their stand alone transmission group business plan entails.*

- 3:30 pm adjourn

* *Subsequent to the meeting, it became necessary to reverse these two agenda items (to accommodate David Patton's travel schedule)*

Bill requested that the Executive Committee give consideration to funding travel costs, as in past years, for OMS members who are not MARC members, to be able to attend; consensus was to follow past practice.

Steve Gaw requested that Bill Smith communicate with the Arkansas commission office to coordinate OMS activities with SPP's.

President Wright requested that the market monitor spend less time describing what a market monitor does, and more time telling us what the market monitor has found.

Administrative Report - Bill Smith

- **Review of Upcoming Dates**

Bill Smith reviewed upcoming dates of interest to OMS directors:

April 29	Transmission Planning and Siting WG call 9:00 CDT MISO Market Update call for OMS 10:00 CDT
May 4	FERC open meeting 9:00 CDT ISO MTEP call 9:30 – 11:30 CDT
May 11	Pricing WG call 1:00 CDT Transmission Planning and Siting WG call for NW Subgroup 2:00 CDT
May 12	OMS Board meeting 2:00 CDT
May 13	MISO RECB (Tentative) FERC Technical Conference on regional transmission planning and expansion and fuel diversity, Charleston, WV 8:30 – 5:00 EDT
May 16	File OMS Tax Form 990 FERC Meeting - President Wright to send more info to OMS to distribute
May 18-19	MISO Advisory Committee and Board meetings Filing of Through and Out rates
May 20	MISO RECB meeting
May 23	OMS Work Group Chair meeting 1:00 CDT

- **Travel Policy**

Bill Smith reported that he's circulated to the Executive Committee another re-write of the OMS travel policy concerning travel advances. There doesn't seem to be consistency among the states on this.

Discussion centered on the length of time before travel an OMS travel advance could be requested. Bill was asked to re-work this language concerning limiting the amount of time ahead of travel advances could be issued. In cases of automatic approved travel, Steve Gaw suggested that the policy state that if an expense is going to run over the targeted amount, that it must be approved by the executive director.

Once the Executive Committee is comfortable with the changes Bill makes after today's meeting and the revised form accompanying it, the travel policy will be ready to go to the board for a final vote.

- **OMS Office Lease Extension**

Ken Nickolai moved to extend the OMS office lease at the \$15.50 rate per sq/ft for another 18 months until January 2007. Judy Jones seconded the motion. The Executive Committee unanimously approved the motion by voice vote.

- **Post Mortem on Outside Counsel**

Bill Smith sent out a document to the Executive Committee members for their review concerning the use of outside counsel by an OMS work group. If any of the Executive Committee members had comments concerning this report, they were to send them to Bill. At the next executive committee meeting the members will determine if this document should be forwarded to the board for its review. Ken Nickolai asked Bill to contact Bert Garvin concerning this issue. Bill indicated he would do so.

Announcements

Next regular OMS Executive Committee meeting Thursday, May 26, 2005 at 2:00 pm (CDT)

The Executive Committee adjourned at 3:10 pm into closed session to discuss the personnel report. The motion to adjourn was offered by Steve Gaw and seconded by Judy Jones. The motion carried by unanimous voice vote of the directors.