



Organization of MISO States

**ORGANIZATION OF MISO STATES, INC.  
EXECUTIVE COMMITTEE MEETING MINUTES  
August 23, 2007**

**Approved September 27, 2007**

Chairman John Norris, President of the Organization of MISO States, Inc. (OMS), called the 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:

President - John Norris, Iowa  
Vice President - Randel Pilo, proxy for Dan Ebert, Wisconsin  
Secretary - Vacant  
Treasurer - Greg Jergeson, Montana  
Commissioner at Large - absent

State agency members present:

Illinois - Randy Rismiller  
Iowa - Jeff Kaman  
Missouri - Steve Gaw  
Michigan - Wanda Jones

Others present on the conference call:

OMS Staff - Bill Smith, Julie Mitchell

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

Randy Pilo offered a motion to adopt the July 26, 2007 OMS Executive Committee meeting minutes as distributed. Greg Jergeson seconded the motion. By voice vote, the committee members unanimously approved the minutes as presented.

**BUSINESS**

**1. Personnel Contracts for OMS Staff - President Norris**

President Norris indicated he met with Commissioners Ebert and Jergeson to determine the amount of a salary increase for the OMS Executive Director and the Office Manager, based on their personnel reviews for 2007.

Greg Jergeson moved to approve the OMS staff contracts as approved in 2006, with an effective date of September 1, 2007 to August 31, 2008, with a 4% salary increase, and a 4% increase in employer contributions to their retirement fund. Dan Ebert seconded the motion.

**By voice vote, the committee members unanimously approved the motion as presented.**

**2. Nominating Committee Status Report - Steve Gaw**

Steve Gaw reported that the Nominating Committee plans to meet August 24, 2007 at 1:30 p.m. CDT to begin its work. Any board member interested in serving in 2008 should contact one of the committee members - Steve Gaw, Susan Wefald or Tom Pugh.

**3. OMS Officer Vacancy - President Norris**

President Norris announced that Chairperson Dan Ebert of Wisconsin would be willing to assume the position of OMS Vice President.

**Greg Jergeson moved that Dan Ebert serve the balance of his term on the Executive Committee as Vice President. John Norris seconded the motion. By voice vote, the committee members unanimously approved the motion as presented.**

This would vacate the position of Secretary for the next month. President Norris asked that OMS staff assume the responsibility of taking role and preparing minutes until a new secretary is appointed. President Norris also requested that anyone interested in serving as Secretary to please contact him.

**4. OMS 2008 Budget Consideration - Bill Smith**

Bill Smith presented the draft budget with the one change requested from the last OMS Executive Committee meeting which included the cash carryover using the June figure, and including the additional OMS office parking space rental. The total budget expenses for 2008 are \$652,000. Bill Smith highlighted several large expenses to explain the reason for the large total. Included in the total are \$60,000 for possible need for a D.C. counsel, \$50,000 for OMS Technical Training, and \$55,000 in reimbursable DOE funds earmarked for MWDRI. Other than these three items, the budget remains consistent with past years' spending.

**Greg Jergeson moved approval of the 2008 OMS draft budget as distributed to the Executive committee members, and submission to the OMS board of directors on September 13, 2007 subject to arithmetic changes to adjust for the raises approved earlier in the meeting for OMS Staff.**

**John Norris seconded the motion. By voice vote, the committee members unanimously approved the motion as presented.**

**5. Review of OMS Working Group Assignments - Bill Smith**

Bill Smith indicated there were no new work assignments. He highlighted upcoming meetings for the work groups, and thought the ANOPR draft comment would be ready for the board to review a couple of weeks before the September board meeting.

- Pricing Work Group plans to have a draft ready for the board on Post-Transition Pricing. The members determined that the Pricing Work Group should strive for a solid majority position, with judicious footnotes indicating any dissenting opinions.
- A current list of work group assignments follows the minutes.

**6. Agenda Review for September 13 Board Meeting - Bill Smith**

- **Resource Adequacy report**
- **Consideration of FERC ANOPR Comment**
- **Consideration of Comments on Post-Transition Pricing Filings**
- **Approval of the 2008 OMS Budget**

### **Administrative Report**

- There was no administrative report presented at this meeting.

### **NEW BUSINESS**

#### **1. Cost Allocation Boundaries - Steve Gaw**

Steve Gaw brought to the attention of the members present the issue of cost allocation boundaries of new transmission lines. He asked that OMS look at a joint effort with the RSC SPP and OMS to move the issue along.

Randy Rismiller indicated this issue had not been assigned to the Pricing Work Group.

Steve Gaw thought perhaps the issue could be facilitated by the presidents of OMS and SPP. Steve Gaw offered to help with this topic if the board wished. He will bring a proposal to the board with his thoughts on how the board could proceed with some first steps.

Bill Smith suggested that the issue be added to the OMS board agenda for the September meeting and to the next OMS Work Group Chairs meeting.

#### **2. MISO Planning Advisory Committee Chair - Randel Pilo**

Randel Pilo reminded the Executive Committee members that the chair of the PAC would no longer be held by MISO staff. The vote to replace the chair will be at the next MISO AC meeting. OMS plans to monitor this issue and will be prepared to vote for a chair.

### **Announcements**

- Next **OMS Executive Committee meeting Thursday, September 27 at 2:00 pm CDT**
- Next **OMS Regular Board meeting, Thursday, September 13 at 2:00 pm CDT**

**The meeting adjourned at approximately 2:45 p.m. CDT**

# Organization of MISO States, Inc.

## DRAFT 2008 Budget

	Budget 2005	Actual 2005	Budget 2006	Actual 2006	Budget 2007	Actual Thru June 2007	Budget 2008	Comment
1 Ordinary Income/Expense								
2 Income								
3 MISO Grant	600,000	200,000	525,000	320,000	480,000	120,000	480,000	
4 Interest - Checking Acct and Savings	1,000	5,568	2,000	618	2,000	1,157		
5 Miscellaneous revenue		62		31	0	502		
6 Total Income	601,000	205,630	527,000	320,649	482,000	121,659	480,000	
Cash carried forward from prior year	373,237	373,237	133,802	235,608	150,000	201,904	201,904	
Total funds available	974,237	578,867	660,802	556,257	632,000	323,563	681,904	
7 Expense								
8 Personnel Compensation and Benefits								
9 Compensation - Exec Director	125,000	120,559	130,000	115,819	135,000	60,902	135,000	
10 Compensation - Admin Asst	60,000	56,345	66,000	55,552	71,000	29,675	71,000	
11 Compensation - additional personnel	75,000		35,000	485	35,000	3,222	35,000	
12 Other Personnel Expenses								
13 Staff Training	3,500		3,000		2,000	40	2,000	
14 Paychex Accounting Fees	400	1,237	1,000	1,322	1,500	660	1,500	
15 Total Personnel Expenses	263,900	178,141	235,000	173,178	244,500	94,499	244,500	
16 Office Expenses (non-personnel)								
17 Computers	4,000	85	6,500	4,229	5,000	524	6,000	
18 Furniture/Office Equipment	1,000		2,000	432	1,500	933	1,500	
19 Rent, parking, other occupancy	8,000	10,491	14,000	10,490	10,500	5,245	11,500	add'l parking space
20 Books, subscriptions, reference	6,000	2,825	4,000	2,195	3,000	1,940	3,000	
21 Equip rental & maintenance								
22 Computer support	2,600	4,871	4,000	4,521	6,000	2,665	6,000	
23 Web Site Hosting	1,000	455	1,000	445	600	210	600	

24	Printer/Copier/Fax Rental	3,000	2,060	3,000	2,068	2,500	993	2,000	
25	Postage, shipping, delivery	500	698	800	1,001	1,200	372	1,000	
26	Printing & copying	500	2,403	400	285	600	0	600	
27	Supplies	5,000	1,190	3,000	1,343	1,800	1,077	2,000	
28	Phone, Fax, DSL	3,500	2,717	3,500	3,011	3,000	1,300	3,000	
29	Miscellaneous Operating Expense	1,500	2		2	0	60	0	Bank acct fees
30	<b>Total Office Expenses (non-personnel)</b>	<b>36,600</b>	<b>27,796</b>	<b>42,200</b>	<b>30,022</b>	<b>35,700</b>	<b>15,319</b>	<b>37,200</b>	
31	<b>Organizational (corp) and Insurance Expenses</b>								
32	Professional, Audit, Other	2,500	2,967	2,500	2,987	3,200	1,187	3,200	audit & registration
35	General Office Insurance	2,800	2,510	2,800	2,530	2,800	0	2600	
36	Workers' Comp	1,200	1,591	1,300	-646	1,300	356	600	
37	Directors & Officers Insurance	3,500	3,500	3,500	3,500	3,500	3500	3,500	
38	<b>Total Organization and Insurance Expense</b>	<b>10,000</b>	<b>10,568</b>	<b>10,100</b>	<b>8,371</b>	<b>10,800</b>	<b>5,043</b>	<b>9,900</b>	
39	Consultants / DC Counsel	200,000	15,663	60,000		60,000	0	60,000	
40	<b>OMS - meetings and training</b>								
41	Officers	3,000	2,098	3,000	1,522	3,000	1,135	3,000	
42	Exec Dir	12,000	10,054	10,000	12,153	10,000	5,461	11,000	
43	Other Staff	3,500		3,500	803	3,500	177	2,000	
44	<b>Total OMS Officer and Staff Expenses</b>	<b>18,500</b>	<b>12,152</b>	<b>16,500</b>	<b>14,478</b>	<b>16,500</b>	<b>6,773</b>	<b>16,000</b>	
45	<b>MISO Meeting Expenses</b>								
46	MISO work groups and committees	18,000	26,871	26,400	42,434	36,000	20,486	45,000	
47	MISO BOD,AC - Lead States	15,000	19,875	20,000	6,691	20,000	8,243	20,000	
48	Consumer Advocate Travel					30,000	2,969	30,000	
49	Exec Dir (MISO AC,BOD)	6,000	7,133	8,000	7,092	8,000	3,885	9,000	
50	<b>Total MISO Meeting Expenses</b>	<b>33,000</b>	<b>46,747</b>	<b>46,400</b>	<b>49,125</b>	<b>94,000</b>	<b>35,583</b>	<b>104,000</b>	
51	<b>OMS Meetings</b>								
52	<b>OMS Annual Meeting (2006 meeting)</b>								
53	Director attendance expense	10,000	11,514	12,000	9,319	12,000	12,265	14,000	
54	Annual Meeting Location Costs	1,200	1,964	1,200	720	2,000	2,544	2,500	
55	<b>Total OMS Annual Meeting</b>	<b>11,200</b>	<b>13,477</b>	<b>13,200</b>	<b>10,039</b>	<b>14,000</b>	<b>14,809</b>	<b>16,500</b>	

56	Regular OMS BOD Meeting								
57	Regular BOD Mtg Location Costs	1,200	1,380	1,500	1,256	1,500	400	1,500	
58	Regular BOD Meeting attendance expense	10,000	1,748	10,000	3,171	10,000	1,494	10,000	
59	<b>Total Regular OMS BOD Meeting</b>	<b>11,200</b>	<b>3,128</b>	<b>11,500</b>	<b>4,427</b>	<b>11,500</b>	<b>1,894</b>	<b>11,500</b>	
60	OMS Executive Committee Meeting								
61	OMS Exec Com Mtg attendance expense	3,000		3,000		3,000	0	3,000	
62	OMS Exec Comm - Meeting Location	500		500		500	23	500	
63	<b>Total OMS Executive Committee Meeting</b>	<b>3,500</b>	<b>0</b>	<b>3,500</b>	<b>0</b>	<b>3,500</b>	<b>23</b>	<b>3,500</b>	
64	Conference Calls	12,000	15,400	16,000	16,089	16,000	12,705	24,000	w/o MWDRRI calls
65	OMS Work Group Meetings - attendance expense	6,000	9,460	6,000	11,231	12,000	972	12,000	
66	OMS Work Group meeting - location costs		257		205		0		
67	MWDRRI meetings - attendance exp	0	0	0	0	55,000	11,069	55,000	DOE funded
68	MWDRRI meetings - location/call costs	0	0	0	0	0	3,120	0	DOE funded
69	FERC/DOE Tech Conference - attendance exp	5,000	4,600	37,400	4,379	5,000	3,317	8,000	
70	OMS Technical Training	6,000	-135	6,000	24,692	50,000	797	50,000	
71	Technical training location costs		161		729		59		
72	<b>Total OMS Meeting and Training Expenses</b>	<b>54,900</b>	<b>46,347</b>	<b>93,600</b>	<b>71,792</b>	<b>167,000</b>	<b>48,765</b>	<b>180,500</b>	
73	<b>Total Expenses</b>	<b>616,900</b>	<b>337,414</b>	<b>503,800</b>	<b>361,433</b>	<b>628,500</b>	<b>205,983</b>	<b>652,100</b>	
74	<b>Operating surplus of funds available over expenses</b>	<b>357,337</b>	<b>241,453</b>	<b>157,002</b>	<b>194,824</b>	<b>3,500</b>	<b>117,580</b>	<b>29,804</b>	
75	Depreciation allowance	-135	3,488			0	0		
	<b>Net Surplus of available funds over expenses</b>	<b>357,472</b>	<b>237,965</b>	<b>157,002</b>	<b>194,824</b>	<b>3,500</b>	<b>117,580</b>	<b>29,804</b>	

# CURRENT OMS PROJECTS

August 3, 2007

Page 1

To be discussed at Work Group Chairs meeting August 10, 2007

Call –in: 877-452-6418 Code: 5152430742#

On August 10 Call: Rismiller, Lein, Pilo, Baig, Butcher, Haar, Smith

<u>PROJECT</u>	<u>DEADLINES</u>	<u>STATUS</u>
<b><u>Pricing WG</u></b>		
Post-Transition Pricing	FERC filings August 1, 2007 MISO TOs – “report” MSAT – 205 on new facils PJM TOs – keep xborder AEP – xborder cost sharing	Dkt ER07-1233, comments Sept 17  Dkt EL02-111 et al, comment Aug 22
<b><u>MWDRI</u></b>		
Midwest Demand response Initiative	Survey to states July 2 WG calls Aug 10, 17	Steering committee meets Sept 7 Distribute draft of principles
<b><u>Markets WG</u></b>		
ASM	MISO briefing Aug 17	Regional workshops July 31, Aug 3, 14
RSG motions	Update at August 15 A/C meeting MISO plan to be filed October	

CURRENT OMS PROJECTS

August 3, 2007

Page 2

Joint and Common Market		Next meeting October 5
<b><u>Market Monitoring and Mitigation WG</u></b>		
FERC Office of Enforcement		FERC Midwest Market call August 7
<b><u>Resource Adequacy WG</u></b>		
Resource Adequacy – Module E	Target filing Dec 31, 2007	Report to OMS Board August 9: Metrics call Sept 10 DRR call Oct 8 Financial call Oct 22 Enforcement call Nov 5
<b><u>Transmission Planning and Siting WG</u></b>		
MTEP07		MTEP inclusion criteria Stakeholder presentations @ Aug 14 PAC and Aug 28/29
Interconnection Queue	Stakeholder briefings July 18 & 31	Briefing to A/C 8/15
<b><u>Long-Term Development</u></b>		



CURRENT OMS PROJECTS

August 3, 2007

Page 3

<b><u>and governance WG</u></b>		
MISO 2008 Budget development	Next Finance Com. meeting Sept 8	Cap Budget presentation Aug 23
CEO filing	Comments due Aug 27	Dkt ER07-1254
<b><u>Modeling WG</u></b>	<b><u>Call July 20</u></b>	
KEMA study		Modelling WG Stakeholder briefing July 13
ASM pre-post- baseline		
<b><u>Multiple WGs / Other</u></b>		
RTO 101		States should contact John Chandley, keep OMS informed
Cost recovery and ASM rate training		Working through MISO ASM State Ratemaking Study Group Met May 15 Suggestion for ½ day conference on ASM concepts

# CURRENT OMS PROJECTS

August 3, 2007

Page 4

<p>FERC ANOPR on wholesale power markets</p>	<p>Comments due Sept 14</p>	<p>Demand response: MWDR1 &amp; Mkt WG – paras 59, 62, 69, 75-80</p> <p>Bilateral contracts: MWG</p> <p>Market Monitoring: MMMWG – paras 118-119</p> <p>Communications: LTDGWG</p>
<p>Cross Border Cost Allocation</p>	<p>Cross-border allocation filing Dec 1</p>	<p>Market WG / Pricing WG</p> <p>Reliability: Dfax variation at FERC</p> <p>Economic: FERC will set new filing date</p>

<p>COMPLETED:</p>		
<p>Long-Term Transmission Rights</p>	<p>FERC order May 17</p>	<p>Rehearing June 16</p> <p>Compliance filing (July 16) being reviewed</p> <p>Retire CM/FTR WG afterwards?</p>
<p>Sector briefing to AC</p> <p>Free rider issues – loop flow and market neighbors</p>	<p>August 15 A/C</p> <p>Expect MISO filing late 2007</p> <p>PWG to draft recommendation of</p>	<p>Pricing WG (check with Market WG)</p> <p>Draft comment to OMS Board Aug 6</p>

# CURRENT OMS PROJECTS

August 3, 2007

Page 5

	coordination agreements	
ASM – FERC Order June 22	Rehearing due July 23	Clarification draft to OMS Board for August 9 meeting
BCA renewal	Filed July 20 Dkt ER07-1182	Draft Intervention and support to OMS Board for August 9 meeting
MISO Strategic Plan	Comments to MISO July 25	