



Organization of MISO States

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**ORGANIZATION OF MISO STATES, INC.
EXECUTIVE COMMITTEE MEETING MINUTES
July 26, 2007**

Approved August 23, 2007

Chairman John Norris, Vice-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 - vacant
Secretary - Randel Pilo, proxy for Dan Ebert, Wisconsin
Treasurer - Greg Jergeson, Montana
Commissioner at Large - Randy Rismiller, proxy for Bob Lieberman, Illinois

State agency members present:

Indiana - Carol Crone, Robb Mork
Michigan - Wanda Jones
Montana - Candace Beery

OMS Staff - Bill Smith, Julie Mitchell

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

Greg Jergeson offered a motion to adopt the June 28, 2007 OMS Executive Committee meeting minutes as distributed. Randy Pilo seconded. By voice vote, the committee members unanimously approved the minutes as presented

Business Items

1. OMS Budget Preparation - Bill Smith

Bill Smith discussed the formation of the 2008 budget. No significant changes were made in the direction of the budget. Line 64 in regard to conference calls was adjusted to reflect greater usage of conference calls, rather than in-person work group meetings. This budget also reflects the \$55,000 in MWDRI funds. Bill intends to move around some of the travel categories to make it more consistent with the QuickBooks entries. Bill indicated the OMS budget must be approved at the September OMS board meeting. So the Executive Committee will be expected to act on the budget at its August 23 meeting.

2. Personnel Contracts - John Norris

President Norris indicated that in the past two Executive Committee members have been assigned to review the contracts of Bill Smith and Julie Mitchell. The last salary adjustments for the Executive Director and the Office Manager were made in March of 2006. Performance evaluations for Bill and Julie were completed in March or April, 2007. The next step for the Executive Committee is to review their contracts, and make salary recommendations for the August meeting. President Norris indicated he would email Executive Committee members to ask for two volunteers to conduct this review. Greg Jergeson volunteered to be one of the members.

3. Nominating Committee Meeting Deadlines - John Norris

President Norris reviewed the members of the Nominating Committee - Susan Wefald, Tom Pugh, Steve Gaw. Bill Smith was asked to check with Steve Gaw to determine if he will be available to serve on this committee. Bill will also set up a conference call for the committee to initiate the nomination process.

- The committee will report to President Norris each month on its progress.
- Nominations should be completed by the end of October.
- Nominations are usually presented 30 days prior to the December annual meeting.

4. OMS Work Group Assignments - Bill Smith

Bill Smith provided notes from the OMS Work Group Chairs meeting (follows minutes) which lists the current work assignments of the work groups and the project due dates.

5. OMS Vice President Vacancy - John Norris

President Norris reported that no action had been taken yet in regard to replacing the Vice President.

- President Norris indicated OMS may need to schedule a Special Board meeting to approve the VP vacancy. However, he'll make every effort to have this resolved by the August 23 meeting.

6. Review Agenda for August 9 OMS Board Meeting - Bill Smith

Bill Smith listed possible agenda items for consideration at the August 9 OMS Board of Directors meeting:

- MWDR1 update with DOE/LBL staff
- FERC ANOPR comment
- FERC ASM reconsideration
- Comment to MISO on Free Rider issues
- Review of Advisory Committee agenda items
- Possible RSG motions
- Resource Adequacy proposal

Administrative Report - Bill Smith

Bill Smith highlighted the following items:

- The request of an additional parking spot for the OMS office in the adjacent parking garage for use by the OMS part-time staffer and OMS ancillary service visitors. Cost of the spot = \$85/month.
Randel Pilo moved for OMS to acquire the additional parking spot at \$85/month for use by the OMS part-time staffer and OMS ancillary service visitors. Greg Jergeson seconded the motion.
The motion carried by unanimous voice vote of the Executive Committee members present.

- At the November NARUC Annual Meeting in Anaheim, CA, Raj Barua, OPSI Executive Director, has proposed a joint luncheon meeting with OPSI and OMS commissioners to be held Sunday, November 11. Executive Committee members agreed that this would be a good idea, and encouraged Bill Smith to continue to work with Raj on its planning. Bill was asked to secure a room site at the NARUC hotel, and to determine if there is an interest in this luncheon meeting with the OMS board at its August 9 meeting.

Announcements

- Next OMS Executive Committee meeting Thursday, August 23, 2007 at 2:00 pm CDT
- Next OMS Regular Board meeting, Thursday, August 9, 2007 at 2:00 pm CDT

The meeting adjourned at approximately 2:40 p.m. CDT

NOTES: OMS Work Group Chairs meeting July 20, 2007

On July 20 Call: Pauley, Karlak, Bokram, J.Johnson, Rismiller, Beery, Lein, Pilo, Valladares, Smith

<u>PROJECT</u>	<u>DEADLINES</u>	
<u>Pricing WG</u>		
Post-Transition Pricing	FERC filing August 1, 2007 MISO TOs – “report” ATC-ITC – 206 on new PJM TOs – keep xborder AEP – xborder cost sharing Comments ± August 21, possibly Sept 16	Pricing WG Last Stakeholder bri
Sector briefing to AC Free rider issues – loop flow and market neighbors	August 15 A/C	Pricing WG (check w Expect MISO filing la PWG to draft recom coordination agr
<u>MWDRI</u>		
Midwest Demand response Initiative	Survey to states July 2	WG met July 9 Steering committee
<u>Markets WG</u>		
<u>Call July 24</u>		
ASM		Regional workshops Agenda sent to M Check on material
ASM – FERC Order June 22	Rehearing due July 23 Call July 24	Clarification draft to 9
RSG motions	May be on August 15 A/C meeting	Brief Board August 9 CES motion approve

	MISO plan to be filed October	MISO overhaul pres
Joint and Common Market		Next meeting Octob
<u>Market Monitoring and Mitigation WG</u>		
Discussions with FERC Office of Enforcement; RIMO	Met Feb 28	MMMWG FERC OE Research in – discussed F research ideas
BCA renewal	Filed July 20 Dkt ER07-1182	Intervene and supp
<u>Resource Adequacy WG</u>		
Resource Adequacy – Module E	<u>Call July 25</u> Target filing Dec 31, 2007	<ul style="list-style-type: none"> • July 11 RAWG m proposal introdu • July 18 - RAWG to SAWG • July 24 Commer for July 25 meet • Aug 1 Discuss w R.Doying • August 6 Draft a comments to OM discussion with b
<u>Transmission Planning and Siting WG</u>		
MTEP07		TPS WG TPSWG reported to May 24 Discussed MTEP crit

		expect late July presentation
MTEP criteria		TPSWG meeting Jun More?
Interconnection Queue	Stakeholder briefing July 18	Notes posted; briefing
<u>Long-Term Development and governance WG</u>		
MISO Strategic Plan	Comments to MISO July 25	
MISO 2008 Budget development	Next Finance Comm meeting Sept 8	
<u>Modeling WG</u>		
	<u>Call July 20</u>	
KEMA study		Modelling WG Stakeholder briefing
ASM pre-post- baseline		
<u>Multiple WGs / Other</u>		
RTO 101		States should contact keep OMS info
Cost recovery and ASM rate training		Working through MI Ratemaking S Met May 15 Suggestion for ½ da ASM concepts Invoice mock-ups re

<p>FERC ANOPR on wholesale power markets</p>	<p>Comments due August 16; extension to Sept 14 pending</p>	<p>Demand response: M paras 59, 62, Bilateral contracts: Market Monitoring: M 118-119 Communications: L</p>
<p>Cross Border Cost Allocation</p>	<p>Cross-border allocation filing Dec 1</p>	<p>Market WG / Pricing Reliability: Dfax var Economic: FERC will</p>

<p>COMPLETED:</p>		
<p>Long-Term Transmission Rights</p>	<p>FERC order May 17</p>	<p>Rehearing June 16 Compliance filing (Ju reviewed Retire CM/FTR WG a</p>
<p>ICF Benefits Study</p>	<p>Report February 28; Extended results announced April 30</p>	<p>Ad Hoc Group Comments approved April 16 Final responses to M</p>
<p>NIETC comment</p>	<p>Filed July 6</p>	<p>Approved June 14</p>

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		
Total funds available	974,237	578,867	660,802	556,257	632,000	323,563	480,000	
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	10,500	
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	Total Office Expenses (non-personnel)	36,600	27,796	42,200	30,022	35,700	15,319	36,200	
31	Organizational (corp) and Insurance Expenses								
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	Total Organization and Insurance Expense	10,000	10,568	10,100	8,371	10,800	5,043	9,900	
39	Consultants / DC Counsel	200,000	15,663	60,000		60,000	0	60,000	
40	OMS - meetings and training								
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	Total OMS Officer and Staff Expenses	18,500	12,152	16,500	14,478	16,500	6,773	16,000	
45	MISO Meeting Expenses								
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	Total MISO Meeting Expenses	33,000	46,747	46,400	49,125	94,000	35,583	104,000	
51	OMS Meetings								
52	OMS Annual Meeting (2006 meeting)								
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	Total OMS Annual Meeting	11,200	13,477	13,200	10,039	14,000	14,809	16,500	

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	Total Regular OMS BOD Meeting	11,200	3,128	11,500	4,427	11,500	1,894	11,500	
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	Total OMS Executive Committee Meeting	3,500	0	3,500	0	3,500	23	3,500	
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	Total OMS Meeting and Training Expenses	54,900	46,347	93,600	71,792	167,000	48,765	180,500	
73	Total Expenses	616,900	337,414	503,800	361,433	628,500	205,983	651,100	
74	Operating surplus of funds available over expenses	357,337	241,453	157,002	194,824	3,500	117,580	-171,100	
75	Depreciation allowance	-135	3,488			0	0		
	Net Surplus of available funds over expenses	357,472	237,965	157,002	194,824	3,500	117,580	-171,100	

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NOTES: OMS Work Group Chairs meeting July 20, 2007

On July 20 Call: Pauley, Karlak, Bokram, J.Johnson, Rismiller, Beery, Lein, Pilo, Valladares, Smith

<u>PROJECT</u>	<u>DEADLINES</u>	<u>STATUS</u>
<u>Pricing WG</u>		
Post-Transition Pricing	FERC filing August 1, 2007 MISO TOs – “report” ATC-ITC – 206 on new PJM TOs – keep xborder AEP – xborder cost sharing Comments ± August 21, possibly Sept 16	Pricing WG Last Stakeholder briefing June 27
Sector briefing to AC Free rider issues – loop flow and market neighbors	August 15 A/C	Pricing WG (check with Market WG) Expect MISO filing late 2007 PWG to draft recommendation of coordination agreements
<u>MWDRI</u>		
Midwest Demand response Initiative	Survey to states July 2	WG met July 9 Steering committee meets Sept 7

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<u>Markets WG</u>	<u>Call July 24</u>	
ASM		Regional workshops July 31, Aug 3, 14 Agenda sent to MISO Check on material
ASM – FERC Order June 22	Rehearing due July 23 Call July 24	Clarification draft to OMS Board August 9
RSG motions	May be on August 15 A/C meeting MISO plan to be filed October	Brief Board August 9 CES motion approved at July 10 MSC MISO overhaul presented July 20
Joint and Common Market		Next meeting October 5
<u>Market Monitoring and Mitigation WG</u>		
Discussions with FERC Office of Enforcement; RIMO	Met Feb 28	MMMWG FERC OE Research in Market Oversight – discussed Feb 28; need more research ideas
BCA renewal	Filed July 20 Dkt ER07-1182	Intervene and support?

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<u>Resource Adequacy WG</u>	<u>Call July 25</u>	
Resource Adequacy – Module E	Target filing Dec 31, 2007	<ul style="list-style-type: none"> • July 11 RAWG met and Straw proposal introduce • July 18 - RAWG proposal presented to SAWG • July 24 Comments on proposal due for July 25 meeting • Aug 1 Discuss work schedule w/ R.Doying • August 6 Draft and summary of comments to OMS Board / discussion with board August 9.
<u>Transmission Planning and Siting WG</u>		
MTEP07		<p>TPS WG</p> <p>TPSWG reported to Exec Committee May 24</p> <p>Discussed MTEP criteria with J.Curran, expect late July stakeholder</p>

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		presentation
MTEP criteria		TPSWG meeting June 25 More?
Interconnection Queue	Stakeholder briefing July 18	Notes posted; briefing to A/C 8/15
<u>Long-Term Development and governance WG</u>		
MISO Strategic Plan	Comments to MISO July 25	
MISO 2008 Budget development	Next Finance Comm meeting Sept 8	
<u>Modeling WG</u>	<u>Call July 20</u>	
KEMA study		Modelling WG Stakeholder briefing July 13
ASM pre-post- baseline		
<u>Multiple WGs / Other</u>		
RTO 101		States should contact John Chandley, keep OMS informed

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<p>Cost recovery and ASM rate training</p>		<p>Working through MISO ASM State Ratemaking Study Group</p> <p>Met May 15</p> <p>Suggestion for ½ day conference on ASM concepts</p> <p>Invoice mock-ups requested</p>
<p>FERC ANOPR on wholesale power markets</p>	<p>Comments due August 16; extension to Sept 14 pending</p>	<p>Demand response: MWDRI & Mkt WG – paras 59, 62, 69, 75-80</p> <p>Bilateral contracts: ??</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>		
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Long-Term Transmission Rights	FERC order May 17	Rehearing June 16 Compliance filing (July 16) being reviewed Retire CM/FTR WG afterwards?
ICF Benefits Study	Report February 28; Extended results announced April 30	Ad Hoc Group Comments approved by OMS Board April 16 Final responses to MISO June 6 and 14
NIETC comment	Filed July 6	Approved June 14