

ORGANIZATION OF MISO STATES, INC. Executive Committee Meeting Minutes January 29, 2015

Approved April 30, 2015

Libby Jacobs, President of the Organization of MISO States, Inc. (OMS), called the January 29, 2015 meeting of the OMS Executive Committee to order via conference call at approximately 1:00 p.m. (CDT). The following directors participated in the meeting:

President – Libby Jacobs, Iowa
Vice-President – Sally Talberg, Michigan
Treasurer – Ken Anderson, Texas
Secretary – Kirk Bushman, Montana
Commissioner at Large – Angela Weber, Indiana
Past-President – Eric Callisto, Wisconsin

Others present on the conference call:

OMS Staff – Bill Smith, Tanya Paslawski, Colleen Dougherty, Amy Schmelzer

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

The minutes of the December 18, 2014 meeting was approved as distributed.

BUSINESS

1. Return on Equity: Approve Jennings Strouss Engagement Letter

The engagement letter was introduced and there were no questions.

Sally Talberg moved to approve the engagement letter. Angela Weber seconded. The motion passed by unanimous voice vote.

2. Duke Indiana Waiver Request Intervention (ER15-592)

3. Wisconsin Power & Light Waiver Request Intervention (ER15-872)

Bill Smith introduced the cases and requested OMS intervene with no position in both. Eric Callisto indicated that MISO had filed a new proposal in ER15-918 and wants OMS to know about it.

Eric Callisto moved that OMS file a doc-less intervention in the above cases. Angela Weber seconded. The motion passed by unanimous voice vote.

4. OMS Personnel Committee Nominees

Libby Jacobs introduced the candidates for the 2015 Personnel Committee: Sally Talberg, Betsy Wergin, and Brandon Presley. There were no nominees from the floor.

The committee was approved by acclamation.

5. FSC Nomination

Venkata Bujimalla was presented as the OMS nominee to the MISO Finance Subcommittee.

The nomination was approved by acclamation.

6. New Phone System for OMS Office

Bill Smith provided the Executive Committee an update on the process for selecting a new phone system for the OMS office. No recommendation is ready at this time.

7. Agenda for the February 19, 2015 Board Meeting

The following items were discussed for inclusion:

- Update on ROE;
- IMM presentation;
- Hot Topic on Resource Adequacy;
- Possible intervention in ER15-918

8. New Business

OMS acknowledged new commissioners Jim Gardner of Kentucky and Betsy Wergin of Minnesota. There are continued vacancies on the OMS Board from the states of Illinois and Arkansas.

Eric Callisto expressed his thanks to David Boyd from Minnesota for his service to OMS and wished him well in his next endeavor.

The meeting adjourned at approximately 1:25 p.m. CST

Jennings Strouss

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January 23, 2015

William H. Smith, Jr.
Executive Director
Organization of MISO States
100 Court Avenue, Suite 315
Des Moines, IA 50309

Re: Legal Representation before Federal Energy Regulatory Commission

Dear Mr. Smith:

Thank you for selecting Jennings, Strouss & Salmon, P.L.C. to represent the Organization of MISO States ("OMS") before the Federal Energy Regulatory Commission ("FERC") in the complaint proceedings regarding the base return on equity ("ROE") for transmission owners in the Midcontinent Independent System Operator, Inc. ("MISO"). This letter will confirm our discussion with you regarding our engagement and describe the basis on which our firm will provide legal services to you.

Client. Our client in this matter will be OMS.

Scope of Engagement. We have been engaged to represent OMS in the ongoing proceeding, including the trial-type hearing, concerning the base ROE for transmission owners in MISO in FERC Docket No. EL14-12 as well as the related new ROE complaint proceeding expected to be initiated in February of 2015 at FERC, which will be assigned a new docket number and potentially may be consolidated with the existing Docket No. EL14-12. We have agreed that our engagement is limited to performance of services related to this matter. We may agree with you to limit or expand the scope of our representation from time to time, provided that any such change is agreed in writing.

Client Responsibilities. Enclosed is a copy of our current policy on Professional Fees and Disbursements. You agree to pay our statements for services and expenses as provided therein. In addition, you agree to be candid and cooperative with us and to keep us informed with complete and accurate factual information, documents, and other communications relevant to the subject matter of our representation or otherwise reasonably requested by us. Because it is important that

we be able to contact you at all times to consult regarding your representation, you agree to inform us, in writing, of any changes in the name, address, telephone number, contact person, e-mail address, state of incorporation, or other relevant changes regarding your business. If you affiliate with, acquire, are acquired by, or merge with another company, you agree to provide us with sufficient notice to permit us to withdraw as your lawyer if we determine that such affiliation, acquisition, or merger creates a conflict of interest between any of our clients and the other party to such affiliation, acquisition, or merger, or if we determine that it is not in the best interests of the firm to represent the new entity.

Advice about Possible Outcomes. Either at the commencement or during the course of our representation, we may express opinions or beliefs concerning the matter or various courses of action and the results that might be anticipated. Any such statement made by any lawyer of our firm is intended to be an expression of opinion only, based on information available to us at the time, and should not be construed by you as a promise or guarantee.

Termination of Engagement. OMS may at any time terminate our services and representation upon written notice to the firm. Such termination shall not, however, relieve OMS of the obligation to pay for all services already rendered, including work in progress and remaining incomplete at the time of termination, and to pay for all expenses incurred on behalf of OMS through the date of termination.

We reserve the right to withdraw from our representation as required or permitted by the applicable rules of professional conduct upon written notice to OMS. In the event that we terminate the engagement, we will take such steps as are reasonably practicable to protect OMS's interests in the above matter, and OMS agrees to take all steps necessary to free us of any obligation to perform further, including the execution of any documents necessary to perfect our withdrawal. We will be entitled to be paid for all services rendered and costs or expenses incurred on behalf of OMS through the date of withdrawal.

Conclusion of Representation; Retention and Disposition of Documents. Unless previously terminated, our representation of OMS in this matter will terminate upon our sending you our final statement for services rendered in the matter. At your request, your papers and property will be returned to you upon receipt of payment for outstanding fees and costs. Our own files pertaining to the matter will be retained by the firm pursuant to the attached enclosure.

Post-Engagement Matters. You are engaging the firm to provide legal services in connection with a specific matter. After completion of the matter, changes may occur in the applicable laws or regulations that could have an impact upon your future rights and liabilities. Unless you engage us after completion of the matter to provide additional advice on issues arising from the matter, the firm has no continuing obligation to advise you with respect to future legal developments.

Fees. The principal basis for computing our fees will be the amount of time spent on the matter by lawyers multiplied by their individual hourly billing rates. Our hourly billing rates for lawyers currently range from \$225 per hour for new associates to \$595 per hour for senior partners. These billing rates are subject to change from time to time. The firm's current standard billing rate is

\$525 per hour for Debbie Swanstrom, \$415 per hour for Gary Newell and \$265 per hour for Andrea Sarmentero, but we have agreed to discount our billing rates for this initial scope of work for OMS as outlined below:

Debbie Swanstrom	\$ 440
Gary Newell	\$ 400
Andrea I. Sarmentero Garzón	\$ 255

We also will charge OMS for our expenses, which typically include costs incurred for long distance telephone calls, delivery services, copying, computer research services, filing fees and travel expenses. Enclosed is a copy of our current policy on Professional Fees and Disbursements. OMS agrees to pay our statements for services and expenses as provided therein.

Please review this letter and the attached enclosure carefully. If it meets with your approval, kindly sign the enclosed copy of the letter in the space provided below and return it to me.

Please call me if you have any questions.

Very truly yours,

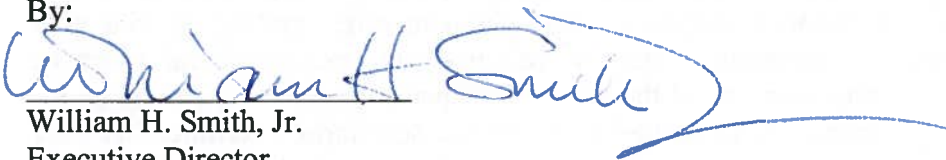
JENNINGS, STROUSS & SALMON, P.L.C.

By:

Andrea I. Sarmentero Garzón
Deborah A. Swanstrom

AGREED TO AND ACCEPTED:

By:



William H. Smith, Jr.
Executive Director
Organization of MISO States

Date:

January 30 2015

Enclosure: Policy on Professional Fees and Disbursements

POLICY ON PROFESSIONAL FEES AND DISBURSEMENTS

The following is an explanation of the basis on which Jennings, Strouss & Salmon, P.L.C. bills for services rendered and expenses incurred, unless some other specific arrangement has been agreed to with a client. We normally submit periodic statements to our clients during the course of an engagement. This procedure ensures that our clients have a current understanding of our charges and that they are not surprised by a bill covering services for an extended period of time.

The fees that the firm bills to its clients are established according to the criteria for reasonableness specified in the Arizona Rules of Professional Conduct, which include the time and labor required for tasks performed; the difficulty, novelty, or complexity of the problem presented; the skill required to perform the tasks in a professional manner, the time constraints imposed by the client or the nature of the matter; and the nature of the results obtained for the client. The firm has established for each of its lawyers, legal assistants and document clerks a normal hourly billing rate and, in most circumstances, the fees billed to clients are closely related to the amount of time expended and the established hourly billing rate for the lawyers, legal assistants and document clerks involved.

For each periodic statement on account, the responsible attorney reviews the time recorded to the client's account since the last billing. The purpose of the review is to determine whether the statement should be based solely on the amount of time expended or adjusted to ensure that the fee charged is reasonable in light of the criteria of the Rules of Professional Conduct.

Any estimates of anticipated fees that we provide at the client's request, whether for budgeting purposes or otherwise, are, due to the uncertainties involved, necessarily only an approximation of potential fees. Under no circumstances are such estimates a maximum or minimum for quotation. Our actual fees will be determined in accordance with the policies described above.

Jennings, Strouss & Salmon, P.L.C. bills its clients for costs advanced on a client's behalf for such items as filing fees, transcript and deposition fees, reasonable travel expenses (IRS allowable amount for auto travel) and expert witness fees. The firm also charges for certain costs and expenses, including an approximation of applicable overhead, incurred directly by the firm on behalf of clients, such as long distance telephone calls, photocopying, printing, special mail services, computerized research, messengers and, in certain instances, secretarial overtime expenses. The firm charges for photocopying at the rate of \$.20 per page. There is no charge for facsimile or telecopier services (incoming or outgoing), or routine secretarial overtime. We may forward to you large disbursement billings for your direct payment to the supplier.

We ask and expect payment of our statements on a current basis, since delayed payment adds to our overall costs of providing services. To avoid burdening our clients who pay promptly these additional costs, we reserve the right to assess a late payment charge of 1% per month for any statement which is not paid by the end of the month following the month in which the statement is dated. If any portion of a statement remains unpaid for more than 30 days after the date of the statement, we reserve the right to withdraw from further representation by letter sent to

you informing you of that fact. We also reserve the right to utilize a collection service for delinquent accounts in the event it becomes necessary.

Following the termination of our representation on a particular matter (which will occur when we send the final invoice on that matter), any otherwise nonpublic information you have supplied to us which is retained by us will be kept confidential in accordance with applicable rules of professional conduct. At your request, your file will be returned to you. We reserve the right to charge you for the cost of reproducing any part of your file that was previously provided to you. We reserve the right to destroy or otherwise dispose of your file (or any part thereof) within a reasonable time (usually five years) after the termination of the engagement for the particular matter.

Finally, in closing, let us assure you that our goal has always been and will continue to be to provide legal services to you on the most cost-efficient basis possible. If at any time, you wish to discuss either our billing policies and procedures generally or a specific billing statement, we encourage you to contact us.

