

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Department of the Treasury
Internal Revenue Service

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2004 calendar year, or tax year beginning and ending

<p>B Check if applicable:</p> <p><input type="checkbox"/> Address change</p> <p><input type="checkbox"/> Name change</p> <p><input type="checkbox"/> Initial return</p> <p><input type="checkbox"/> Final return</p> <p><input type="checkbox"/> Amended return</p> <p><input type="checkbox"/> Application pending</p>	<p>Please use IRS label or print or type. See Specific Instructions.</p>	<p>C Name of organization ORGANIZATION OF MISO STATES, INC.</p> <p>Number and street (or P.O. box if mail is not delivered to street address) Room/suite 100 COURT AVENUE 218</p> <p>City or town, state or country, and ZIP + 4 DES MOINES, IA 50309</p>	<p>D Employer identification number 16-1671529</p> <p>E Telephone number 515-243-0742</p> <p>F Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) ▶</p>
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• Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

Hand I are not applicable to section 527 organizations.

H(a) Is this a group return for affiliates? Yes No

H(b) If "Yes," enter number of affiliates ▶

H(c) Are all affiliates included? **N/A** Yes No
(If "No," attach a list.)

H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No

I Group Exemption Number ▶

G Website: ▶ **WWW.MISOSTATES.ORG**

J Organization type (check only one) ▶ 501(c) (**4**) ◀ (insert no.) 4947(a)(1) or 527

K Check here if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS; but if the organization received a Form 990 Package in the mail, it should file a return without financial data. **Some states require a complete return.**

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ **350,851.**

M Check if the organization is **not** required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

Revenue	1	Contributions, gifts, grants, and similar amounts received:		
	a	Direct public support	1a	350,000.
	b	Indirect public support	1b	
	c	Government contributions (grants)	1c	
	d	Total (add lines 1a through 1c) (cash \$ 350,000. noncash \$)	1d	350,000.
	2	Program service revenue including government fees and contracts (from Part VII, line 93)	2	
	3	Membership dues and assessments	3	
	4	Interest on savings and temporary cash investments	4	851.
	5	Dividends and interest from securities	5	
	6 a	Gross rents	6a	
	b	Less: rental expenses	6b	
	c	Net rental income or (loss) (subtract line 6b from line 6a)	6c	
7	Other investment income (describe)	7		
Revenue	8 a	Gross amount from sales of assets other than inventory	(A) Securities	(B) Other
		Less: cost or other basis and sales expenses	8a	
		Gain or (loss) (attach schedule)	8b	
		Net gain or (loss) (combine line 8c, columns (A) and (B))	8c	
8d				
Revenue	9	Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>		
		a Gross revenue (not including \$ of contributions reported on line 1a)	9a	
		b Less: direct expenses other than fundraising expenses	9b	
9c	Net income or (loss) from special events (subtract line 9b from line 9a)	9c		
Revenue	10 a	Gross sales of inventory, less returns and allowances	10a	
		Less: cost of goods sold	10b	
		Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c	
11	Other revenue (from Part VII, line 103)	11		
12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12	350,851.	
Expenses	13	Program services (from line 44, column (B))	13	255,551.
	14	Management and general (from line 44, column (C))	14	45,097.
	15	Fundraising (from line 44, column (D))	15	
	16	Payments to affiliates (attach schedule)	16	
	17	Total expenses (add lines 16 and 44, column (A))	17	300,648.
Net Assets	18	Excess or (deficit) for the year (subtract line 17 from line 12)	18	50,203.
	19	Net assets or fund balances at beginning of year (from line 73, column (A))	19	327,568.
	20	Other changes in net assets or fund balances (attach explanation) See Statement 1	20	<10,842.>
	21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21	366,929.

Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others.

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (attach schedule)				
	(cash \$ _____ noncash \$ _____)	22			
23	Specific assistance to individuals (attach schedule)	23			
24	Benefits paid to or for members (attach schedule)	24			
25	Compensation of officers, directors, etc.	25	102,000.	15,300.	0.
26	Other salaries and wages	26	47,556.	7,133.	
27	Pension plan contributions	27			
28	Other employee benefits	28	6,620.	993.	
29	Payroll taxes	29	13,873.	2,081.	
30	Professional fundraising fees	30			
31	Accounting fees	31	707.	106.	
32	Legal fees	32	11,613.	1,742.	
33	Supplies	33	2,681.	402.	
34	Telephone	34	13,574.	2,036.	
35	Postage and shipping	35	444.	67.	
36	Occupancy	36	12,232.	1,835.	
37	Equipment rental and maintenance	37	2,193.	329.	
38	Printing and publications	38	179.	27.	
39	Travel	39	62,052.	9,307.	
40	Conferences, conventions, and meetings	40	1,425.	214.	
41	Interest	41			
42	Depreciation, depletion, etc. (attach schedule) ...	42	1,636.	245.	
43	Other expenses not covered above (itemize):				
a	WEBSITE HOSTING AND	43a			
b	COMPUTER MAINT.	43b	10,392.	1,559.	
c	INSURANCE, BOOKS,	43c			
d	SUBSCRIPTIONS	43d	11,471.	1,721.	
e		43e			
44	Total functional expenses (add lines 22 through 43). Organizations completing columns (B)-(D), carry these totals to lines 13-15.	44	300,648.	45,097.	0.

Joint Costs. Check if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No

If "Yes," enter (i) the aggregate amount of these joint costs \$ _____; (ii) the amount allocated to Program services \$ _____;

(iii) the amount allocated to Management and general \$ _____; and (iv) the amount allocated to Fundraising \$ _____

Part III Statement of Program Service Accomplishments

What is the organization's primary exempt purpose? SEE ATTACHMENT A

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

Program Service Expenses
(Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)

a	See Statement 2				
			(Grants and allocations \$ _____)		255,551.
b					
			(Grants and allocations \$ _____)		
c					
			(Grants and allocations \$ _____)		
d					
			(Grants and allocations \$ _____)		
e	Other program services (attach schedule)		(Grants and allocations \$ _____)		
f	Total of Program Service Expenses (should equal line 44, column (B), Program services)				255,551.

Part IV Balance Sheets

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year	(B) End of year
Assets	45 Cash - non-interest-bearing		45
	46 Savings and temporary cash investments	327,568.	46 373,237.
	47 a Accounts receivable	47a	
	b Less: allowance for doubtful accounts	47b	47c
	48 a Pledges receivable	48a	
	b Less: allowance for doubtful accounts	48b	48c
	49 Grants receivable		49
	50 Receivables from officers, directors, trustees, and key employees		50
	51 a Other notes and loans receivable	51a	
	b Less: allowance for doubtful accounts	51b	51c
	52 Inventories for sale or use		52
	53 Prepaid expenses and deferred charges		53
	54 Investments - securities	<input type="checkbox"/> Cost <input type="checkbox"/> FMV	54
	55 a Investments - land, buildings, and equipment: basis	55a 17,916.	
	b Less: accumulated depreciation	55b 1,636.	55c 16,280.
	56 Investments - other		56
	57 a Land, buildings, and equipment: basis	57a	
	b Less: accumulated depreciation	57b	57c
	58 Other assets (describe PREPAID EXPENSES)		58 4,807.
59 Total assets (add lines 45 through 58) (must equal line 74)	327,568.	59 394,324.	
Liabilities	60 Accounts payable and accrued expenses		60 18,315.
	61 Grants payable		61
	62 Deferred revenue		62
	63 Loans from officers, directors, trustees, and key employees		63
	64 a Tax-exempt bond liabilities		64a
	b Mortgages and other notes payable		64b
	65 Other liabilities (describe ACCRUED VACATION)		65 9,080.
66 Total liabilities (add lines 60 through 65)	0.	66 27,395.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.		
	67 Unrestricted	327,568.	67 366,929.
	68 Temporarily restricted		68
	69 Permanently restricted		69
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.		
	70 Capital stock, trust principal, or current funds		70
	71 Paid-in or capital surplus, or land, building, and equipment fund		71
	72 Retained earnings, endowment, accumulated income, or other funds		72
73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19; column (B) must equal line 21)	327,568.	73 366,929.	
74 Total liabilities and net assets / fund balances (add lines 66 and 73)	327,568.	74 394,324.	

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

Part VI Other Information		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	76	X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes.	77	X
78 a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a	X
b	If "Yes," has it filed a tax return on Form 990-T for this year? N/A	78b	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79	X
80 a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a	X
b	If "Yes," enter the name of the organization and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt.		
81 a	Enter direct or indirect political expenditures. See line 81 instructions 81a 0.		
b	Did the organization file Form 1120-POL for this year?	81b	X
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a	X
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.) 82b N/A		
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions? N/A	83b	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a	X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? N/A	84b	
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	85a	X
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.	85b	X
c	Dues, assessments, and similar amounts from members 85c N/A		
d	Section 162(e) lobbying and political expenditures 85d N/A		
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices 85e N/A		
f	Taxable amount of lobbying and political expenditures (line 85d less 85e) 85f N/A		
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f? N/A	85g	
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year? N/A	85h	
86	501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12 86a N/A		
b	Gross receipts, included on line 12, for public use of club facilities 86b N/A		
87	501(c)(12) organizations. Enter: a Gross income from members or shareholders 87a N/A		
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.) 87b N/A		
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88	X
89 a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 N/A; section 4912 N/A; section 4955 N/A		
b	501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b	X
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		0.
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization		0.
90 a	List the states with which a copy of this return is filed NONE		
b	Number of employees employed in the pay period that includes March 12, 2004 90b 2		
91	The books are in care of ORGANIZATION OF MISO STATES, INC. Telephone no. 515-243-0742		
	Located at 100 COURT AVE, SUITE 218, DES MOINES, IA ZIP + 4 50309		
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here and enter the amount of tax-exempt interest received or accrued during the tax year 92 N/A		

Part VII Analysis of Income-Producing Activities (See page 33 of the instructions.)

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
Note: Enter gross amounts unless otherwise indicated.					
93 Program service revenue:					
a _____					
b _____					
c _____					
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments ...			04	851.	
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue:					
a _____					
b _____					
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))		0.		851.	0.
105 Total (add line 104, columns (B), (D), and (E))					851.

Note: Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See page 34 of the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
▼	

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See page 34 of the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See page 34 of the instructions.)

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No

(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature of officer _____ Date _____ Type or print name and title _____

Paid Preparer's Use Only

Preparer's signature _____ Date _____ Check if self-employed Preparer's SSN or PTIN _____

Firm's name (or yours if self-employed), address, and ZIP + 4: **RYUN, GIVENS, WENTHE & CO, PLC**
1601 48th STREET, SUITE 150
WEST DES MOINES, IA 50266-6722

EIN _____ Phone no. **515-225-3141**

Schedule B
(Form 990, 990-EZ, or
990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

Supplementary Information for
line 1 of Form 990, 990-EZ, and 990-PF (see instructions)

OMB No. 1545-0047

2004

Name of organization

Employer identification number

ORGANIZATION OF MISO STATES, INC.

16-1671529

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)(4) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**. (Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule-see instructions.)

General Rule-

For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. (Complete Parts I and II.)

Special Rules-

For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of \$5,000 or 2% of the amount on line 1 of these forms. (Complete Parts I and II.)

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. (Complete Parts I, II, and III.)

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. (If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the Parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year.) ► \$ _____

Caution: Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they **must** check the box in the heading of their Form 990, Form 990-EZ, or on line 2 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the Instructions
for Form 990, Form 990-EZ, and Form 990-PF.

Schedule B (Form 990, 990-EZ, or 990-PF) (2004)

Name of organization ORGANIZATION OF MISO STATES, INC.	Employer identification number 16-1671529
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Part I Contributors (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	MIDWEST INDEPENDENT TRANSMISSION SYSTEM OPERATOR, INC. 701 CITY CENTER DRIVE CARMEL, IN 46032	\$ 350,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Form 990 Other Changes in Net Assets or Fund Balances Statement 1

<u>Description</u>	<u>Amount</u>
PRIOR PERIOD ADJUSTMENT	<10,842.>
Total to Form 990, Part I, line 20	<10,842.>

Form 990 Statement of Program Service Accomplishments Statement 2

Description of Program Service One

ORGANIZATION ASSISTS MEMBER STATES TO PARTICIPATE IN MISO
 STAKEHOLDER PROCESS. THIS ASSISTANCE ASSURES BETTER
 COORDINATION OF ELECTRICITY DELIVERY WITH STATE POLICIES;
 REIMBURSED TRAVEL EXPENSES FOR PARTICIPANTS IN 12 MEETINGS

	<u>Grants</u>	<u>Expenses</u>
To Form 990, Part III, line a		255,551.

Attachment A - Page 1

**2004 Tax Year
IRS Form 990 - Part III.**

**Organization of MISO States, Inc. (aka OMS)
EIN - 16-1671529**

PURPOSE OF THE ORGANIZATION OF MISO STATES, INC. (OMS)

The OMS was formed to advance the work of its member state and provincial agencies with respect to electricity transmission issues by providing a means of performing some functions on a collaborative basis. The work of the OMS relates to electricity transmission and wholesale energy markets. As described more completely below, state agencies are responsible for regulating electric service at the retail level. Nevertheless, they have found that in order to regulate retail markets effectively, they must be aware of trends and activities in the wholesale markets.

In the United States, wholesale electric activities are regulated by the Federal Energy Regulatory Commission (FERC) pursuant to the Federal Power Act and other statutes. Since 1992, the Congress and the FERC have promoted more competition in wholesale electric markets. In particular, the FERC has urged development of regional transmission organizations (RTO) and has required independent management of transmission systems and open access to their services. In the Midwest, utilities and other market participants formed the Midwest Independent Transmission System Operator, Inc. (MISO) in 1998. Its membership now includes electric transmission systems operating in 14 states and Manitoba. As a part of its emphasis on regional operations and planning of the transmission systems, the FERC has encouraged the formation of regional state committees to enhance the links between state retail regulatory agencies, the new regional institutions, and the federal regulatory agency. The OMS is the first such regional state committee to be created.

In furtherance of their governmental roles, state and provincial regulatory agencies in this region have participated in these developments. They have found that participation in regional and federal developments imposes increasing burdens in terms of cost and staff time as the issues become more complex. For several years, state agencies have cooperated in their regional activities and in 2002 began exploring ways to improve their cooperation through a more permanent organization. That planning resulted in the formation of the OMS in 2003. The activities of the OMS can be grouped into five areas, although there is significant overlap among them.

Attachment A - Page 2

2004 Tax Year
IRS Form 990 - Part III.

Organization of MISO States, Inc. (aka OMS)
EIN - 16-1671529

HOW OMS SERVES ITS MEMBERS

First, the OMS provides coordination of state participation in the MISO stakeholder advisory process by consultation on upcoming issues and by reimbursing travel costs for the state representatives to meetings of stakeholder groups. The MISO Advisory Committee is composed of sector representatives, with three representatives of state regulatory agencies. The Committee meets monthly at the MISO headquarters in Carmel, Indiana. Agendas typically include more than a dozen information and action items. The OMS, through conference calls just prior to Advisory Committee meetings, provides a way to provide information on agenda items for state agency personnel and for all member states to furnish their views on these issues to the state representatives to the Committee. Reimbursement of travel costs to attend meetings allows participation by states without regard to travel limitations imposed by state budget conditions or other constraints, thus ensuring more balanced participation from the entire region. While the AC is the most prominent of the MISO stakeholder meetings, there are numerous task forces and work groups that deal with specific issue areas. OMS provides coordination and financial support for participation in several of these efforts without increasing the cost burden on state agency budgets. These activities began in July 2003 and will continue indefinitely. The Advisory Committee representatives for 2004 are the Missouri Public Service Commission, the Iowa Utilities Board, and the Wisconsin Public Service Commission. Since January 2004, OMS staff has assisted these activities.

Second, the OMS facilitates the submission of joint comments to the MISO on proposed service offerings and regulatory filings. As a provider of electric transmission service, MISO develops modifications of its service offerings. MISO requests input from its stakeholder groups on concepts for service modifications. The OMS provides a way for its member states to analyze these concepts in a collaborative way, and provide consolidated views to the MISO. OMS brings a direct public policy perspective to MISO's deliberations. These activities have been performed since July 2003. They were initially performed by staff of the OMS member agencies. Since January 2004, OMS staff has assisted these activities, but there is still great reliance on the staff of member agencies.

Third, the OMS provides consolidated statements of position to the FERC on behalf of its member agencies, although they retain legal authority to submit separate comments. The FERC has promoted the regional cooperation of state regulatory agencies in order to encourage regional discussion of policy issues and to achieve regional consensus where possible. Providing viewpoints of

Attachment A - Page 3

2004 Tax Year
IRS Form 990 - Part III.

Organization of MISO States, Inc. (aka OMS)
EIN - 16-1671529

state regulatory agencies to the federal regulatory agency is seen as an important way to keep the wholesale and retail markets in alignment and to advance the goals of the Congress and the FERC. The OMS has submitted pleadings in five different FERC dockets since August 2003. Much of the analysis and draftsmanship is conducted by the staff of member agencies. It has been coordinated by the OMS staff since January 2004. These pleadings are listed and can be accessed at the OMS website:
<http://www.misostates.org/fercfilings.htm>.

Fourth, the OMS provides a way for its member state agencies to respond collectively to requests of the FERC for state agency positions or viewpoints on other issues. As with other program areas, states achieve cost savings by working together on these requests while bringing more coherent policy statements to the FERC. Several policies are under study now, including principles for allocating the cost of new transmission facilities, principles for assuring adequate generating resources, and coordination of siting proceedings for multi-state transmission lines. These activities have been formally underway since September 2003. They are conducted principally by the staff of member agencies, with support from the OMS staff since January 2004.

Fifth, the OMS assists the development and sharing among its member agencies of expertise on electric transmission and wholesale market issues. Each activity under the previous headings enhances the understanding of the assigned staff members of the policy issue studied, the dynamics of the wholesale markets, and the regional transmission institutions. This expertise is now available to agencies in other states to supplement their own resources. This activity enhances the analytic capabilities of state agencies without the need for additional budget appropriations. These activities are performed by state staff members, with support from the OMS staff since January 2004.

OMS MEMBERSHIP

Under the OMS bylaws, membership is open to all state and provincial regulatory authorities that:

- a) regulate the retail electricity or distribution rates of transmission-owning members or transmission-dependent utility members of the Midwest Independent System Operator (MISO), or
- b) are the primary regulatory authority responsible for siting electric transmission facilities in states or provinces where there are transmission-owning members of the MISO or independent

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transmissions companies that own or operate transmission facilities associated with the MISO.

Associate membership is open to all state and provincial agencies that: are

- a) involved with energy planning, and or environmental issues that relate to electric transmission, or
- b) are involved with consumer advocacy issues that relate to electric transmission, or
- c) are approved by the Board of Directors for associate member status.

Under these provisions, the following state agencies are members:

Illinois Commerce Commission
Indiana Utility Regulatory Commission
Iowa Utilities Board
Kentucky Public Service Commission
Manitoba Public Utilities Board
Michigan Public Service Commission
Minnesota Public Utilities Commission
Missouri Public Service Commission
Montana Public Service Commission
Nebraska Power Review Board
North Dakota Public Service Commission
Ohio Public Utilities Commission
Pennsylvania Public Utility Commission
South Dakota Public Utilities Commission
Wisconsin Public Service Commission

Associate members currently are:

Iowa Office of Consumer Advocate
Minnesota Department of Commerce

At this time, the Manitoba Public Utilities Board is the only Canadian member. It is a provincial regulatory authority. There are no Mexican members.

It is not accurate to say that these OMS member agencies are "overseen by the Midwest Independent System Operator, Inc. (MISO)." MISO is a Regional Transmission organization (RTO) that manages transmission of electricity over facilities owned by electric utilities and serves the needs of various participants in wholesale electric markets such as generators, distributors, marketers. OMS

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member agencies have authority under state or provincial law to regulate some of the operations of those utilities and market participants. These regulatory responsibilities include issues such as assuring adequate supply, cost control, open market operation, and consumer welfare.

The OMS is not a Regional Transmission organization (RTO). Neither the OMS nor its members have any operating control over electric transmission facilities. They are not participants in the electricity markets as buyers or sellers of energy or energy services. Their role is to regulate the activities of market participants according to their state and provincial laws and to advocate public policies that facilitate their governmental roles and their states.

HOW OMS PROMOTES THE PUBLIC INTEREST AND SOCIAL WELFARE OF THE COMMUNITIES IT SERVES.

Under the regulatory system of the United States, particularly the Federal Power Act, Part II, 16 U.S.C. 824a, et seq., states have primary authority for the regulation of retail electricity service while wholesale markets are regulated by the Federal Energy Regulatory Commission (FERC). In order to fulfill their responsibilities for retail regulation, state regulatory agencies have come to realize the need to understand the wholesale market, understand decisions utilities must make in the wholesale market, and participate in FERC matters to shape the wholesale market in ways beneficial to retail markets and customers. State agencies are also called on to decide matters such as the value of the reliability of electric service, the adequacy of electricity supply to meet future usage levels, and land use when needed for new electric transmission facilities.

State regulatory agencies in this region have formed the OMS to conduct some of these activities in a coordinated and collaborative manner. Working together allows them to accomplish their responsibilities more efficiently, providing better results at lower taxpayer cost. The OMS promotes the public interest of its member states by allowing them to perform more complete analysis of policy questions in regional electricity markets and to express those positions more effectively to the MISO and to the FERC. The OMS also helps its member agencies to develop more thorough expertise on electric transmission issues and provides better access within the region to that expertise.

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As the description of individual activities suggests, the OMS promotes the public interest objectives of the FERC by providing it a point of contact with states in a particular region. It also provides its member state agencies with greater analytic capabilities, provides more cost-effective abilities to participate in regional and national policy issues, and promotes more consistent state response to those issues.

The inquiry asks what specific programs are directed at improving and maintaining the safety of the electric delivery system. The inquiry may be prompted by references to reliability and security in the articles of incorporation. These are among the policy objectives shared by federal and state regulators of the electric system. MISO and its members also seek to promote these goals. In the particular terminology of the electric industry, reliability includes both adequacy of supply resources and operational reliability. MISO's operational reliability is a subject that arises with regularity in its stakeholder process. Security issues have also come up in Advisory Committee agendas and OMS has addressed it through our participation. Adequacy of supply resources is addressed by one of OMS's working groups.

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Part V - List of Officers, Key Employees

Organization of MISO States, Inc
EIN - 16-1671529
Board of Directors 2004

A. Name and Address of Director	B. Title & average hours per week devoted to position	C. Compensation (If not paid enter- 0-)	D. Contributions to employee benefit plans and deferred compensation	E. Expense Account and other allowances
Susan E. Wefald, Commissioner North Dakota Public Service Commission 600 East Boulevard Ave, Dept. 408 Bismarck, North Dakota 58505-0480	President 15 hrs	0	0	0
Steve Gaw, Chairman Missouri Public Service Commission 200 Madison Street, Suite 900 Jefferson City, MO 65101	Vice President 10 hrs	0	0	0
Robert M. Garvin, Commissioner Wisconsin Public Service Commission PO Box 7854 Madison, Wisconsin 53707-7854	Secretary 10 hrs	0	0	0
Laura Chappelle, Chairman Michigan Public Service Commission 6545 Mercantile Way Lansing, MI 48911	Treasurer 10 hrs	0	0	0
Diane Munns, Chairman Iowa Utilities Board 350 Maple Street Des Moines, Iowa 50319	Executive Committee Member 10 hrs	0	0	0
Mark David Goss, Vice-Chairman Kentucky Public Service Commission 211 Sower Blvd., PO Box 615 Frankfort, KY 40602	Director 5 hrs	0	0	0

David W. Hadley, Commissioner Indiana Utility Regulatory Commission 302 West Washington Street, Suite E-306 Indianapolis, IN 46204	Director 5 hrs	0	0	0
LeRoy Koppendrayer, Chairman Minnesota Public Utilities Commission 121 7th Place East, #350 St. Paul, MN 55101-2147	Director 5 hrs	0	0	0
Greg Jergeson, Commissioner Montana Public Service Commission P.O. Box 202601 Helena, MT 59620-2601	Director 5 hrs	0	0	0
Louis E. Lamberty, Board Member Power Review Board 301 Centennial Mall South	Director 5 hrs	0	0	0

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Gary Hanson, Commissioner South Dakota Public Utilities Commission 500 East Capitol Avenue Pierre, SD 57501	Director 5 hrs	0	0	0
Glen R. Thomas, Commissioner Pennsylvania Public Utility Commission Commonwealth Keystone Building 400 North Street Harrisburg, PA 17120	Director 5 hrs	0	0	0
Judy Jones, Commissioner Ohio Public Utilities Commission 180 East Broad Street Columbus, Ohio 43215-3793	Director 5 hrs	0	0	0
Graham Lane, Chairman Manitoba Public Utilities Board 400-330 Portage Avenue Winnipeg, Canada R3C 0C4	Director 5 hrs	0	0	0
Kevin Wright, Commissioner Illinois Commerce Commission 527 East Capitol Avenue Springfield, Illinois 62701	Director 5 hrs	0	0	0
William H. Smith, Jr Suite 218 100 Court Avenue Des Moines, IA 50309	Executive Director 40 hrs	102,000	0	0